

## WORLD NEWS

### Miner dies in S Africa pit violence

A black miner has been killed and about 20 hurt in clashes at the Libon gold mine south-west of Johannesburg, which appear to have been the most serious violence in the South African mine strike.

After two weeks there seemed to be no weakening of solidarity among the 300,000 strikers, and no sign that mine owners were ready to resume pay talks.

At least 20 strikers died when their bus hit a car while taking them to their homes in the eastern Cape.

### Blast kills man

A man died and 23 people were hurt when an explosion demolished a four-storey building in Balham, South London. Firemen rushed through the rubble to rescue three people. A gas leak was suspected of being the cause.

### Shooting victims die

Two victims of Hungerford gunman Michael Ryan, Myrtle Gibbs and Ian Playle, died in hospital, bringing the death toll from Wednesday's shootings to 16.

### China border move

China and the Soviet Union agreed in principle on redrawing their eastern boundary, which has been in dispute for more than 20 years. Page 3

### Hart ends holiday

Gary Hart said he was cutting short an Irish holiday, amid speculation that he might re-enter the race for the US Democratic Party's 1988 presidential nomination. Page 2

### Second mass autopsy

A second autopsy was carried out on the body of Hitler's deputy Rudolf Hess after his family said they did not believe claims that he committed suicide. Page 4

### Filipino report

Filipino political system should be changed to let ethnic Filipino dominate Parliament, but links with the British Crown should be kept, an official report said. Page 3

### '405 Libyans killed'

Chad said its troops killed 405 Libyans while repulsing a Libyan attempt to recapture the town of Aouzou this week.

### Captain's body found

The bodies of British captain Gerry Blackburn and an Indian seaman, missing since the supply boat Anita hit a mine and sank in the Gulf last week, were found.

### SDP prediction

Ninety per cent of SDP members would join an Alliance foray by merger with the Liberals, SDP founder member Bill Rodgers predicted. Page 4

### Rest to go on trial

Young West German pilot Mathias Rust, who landed a light aircraft near Red Square in May, will be tried in Moscow on September 2, Tass agency said.

### Agino burned in effigy

Demonstrators protesting about rising petrol prices burned Philippine President Corason Agino in effigy in Manila, the fourth anniversary of her husband's murder.

### Fourth leader

Editorial consultant Bill Nutting was appointed editor of the News on Sunday, its fourth issue it was launched in April. Page 4

## MARKETS

DOLLAR	
New York lunchtime:	
DM 1.5165	
FF 6.0775 (6.1125)	
Sfr 1.5045 (1.5145)	
Y142.4	
London:	
DM 1.518 (1.5275)	
FF 6.0775 (6.1125)	
Sfr 1.5045 (1.5145)	
Y142.7 (144.1)	
Dollar index 101.3 (102.0)	
Tokyo close Y143.0	
US LUNCHTIME RATES	
Fed Funds 6.4%	
3-month Treasury Bills:	
yield: 8.22%	
Long Bond: 9.4%	
yield: 8.65%	
GOLD	
New York: Comex Dec latest	
\$464.4	
London: \$458.0 (\$46.75)	

STERLING	
New York lunchtime: \$1.63	
London: \$1.629 (1.632)	
DM 2.36 (2.365)	
FF 9.9 (9.915)	
Sfr 2.45 (2.4575)	
Y232.5 (233.75)	
Sterling index 72.5 (72.4)	
LONDON MONEY	
3-month interbank:	
closing rate 10 1/4 (10 1/4)	
NORTH SEA OIL	
Brent 15-day Sept (Argus)	
\$18.25 (18.35)	
STOCK INDICES	
FT Ord 1727.2 (+37.0)	
FT-SE 100 2,205.8 (+0.9%)	
FT-SE 250 2,205.8 (+0.9%)	
High coupon 10.0 (10.05)	
New York lunchtime:	
DJ Ind 2,713.33 (+6.54)	
Tokyo:	
Nikkei 25,550.18 (+102.61)	

Chief price changes yesterday: Back Page

Australia \$2.22	Bahamas Dm 0.550	Belgium Sfr 48	Canada C\$1.00	Cyprus C\$1.75
Danish Dkr 8.00	Egypt £22.25	France FF 1.50	Germany DM 2.25	Ghana Gc 1.00
Hong Kong HK\$1.00	India Rs 15	Indonesia Rp 1,600	Israel NIS 3.50	Italy L1,000
Japan ¥800	Jordan Jds 0.70	Kuwait Kd 4.00	Lebanon L£1.00	Libya Dn 1.00
Malaysia RM 1.25	Mexico Mx 20	Netherlands f 3.60	Norway Nkr 7.00	Philippines P 20
Portugal Esc 200	Saudi Arabia R 2.00	Singapore S\$1.00	Spain Ptas 166	Sri Lanka SLR 200
Sweden Sfr 8.00	Switzerland Sfr 2.20	Taiwan NT\$80	Tunisia Dn 0.500	Turkey Liras 1.80
USA \$1.00	USA \$1.00	USA \$1.00	USA \$1.00	USA \$1.00

SELLING PRICE IN IRELAND 80p

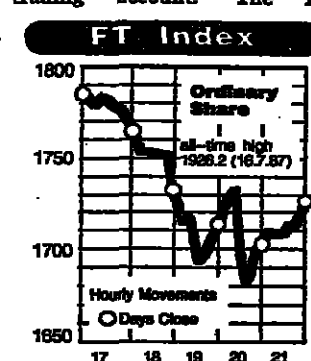
## BUSINESS SUMMARY

### RHM in renewed bid speculation

**GOODMAN FIELDER**, the Australian-based food group, yesterday raised its stake in RHM to 18.5 per cent to £1.02 per cent, renewing speculation of a bid for the British food manufacturer.

The share purchase cost Goodman £52.5m and moved the company closer to its ambition to be a global force in the food sector. Back Page

**EQUITIES** rose in late trading as analysts took a closer look at Thursday's money supply and bank lending figures and as the market moved into the new trading account. The FT



Ordinary Index jumped 27 to close at 1,727.2, a drop on the week of 43.1. The FTSE 100 index rose 20.5 to 2,205.8, down 89.6 on the week. Stock market, Page 12

**UK BUILDING SOCIETIES** repositioned a record 11,620 homes in the first six months of this year, increasing fears of worsening debt problems. Page 4

**NATIONAL Bus Company** sold its Luton and District Transport to an employee buy-out consortium, the first such sale in its privatisation of 72 subsidiaries. Page 4

**UK CONSTRUCTION** output is set to grow by 7 per cent this year and 3.5 per cent next year, outstripping its European rivals, according to industry forecasts. Back Page

**JI CASE, US tractor** and construction equipment maker, is cutting more than 1,000 jobs at Melham, West Yorkshire and Leigh, Manchester, through continued rationalisation at its tractor operations. Back Page

**SCHROEDERS**, the merchant bank, started legal proceedings against the accounting firm Deloitte Haskins and Sells over the listing particulars of PPL (Holdings), computer software company which called in the receiver in January. Page 5

**TAKEOVER PANEL** cleared plans by financial services group Guinness Peat to install a new management at its merchant banking arm Guinness Mahon. Page 5

**DEWEY WARREN Holdings**, Lloyd's insurance broker, is to raise \$54.6m in a two-for-one rights issue to help fund acquisitions and develop its financial services activities. Page 5

**ELDERS I.L.**, leading Australian company, is to spin off 35 per cent of each of its three main operating divisions, with a London flotation possible. Back Page

**COMPAGNIE Financiere de Suez**, French state-owned investment banking group, hopes to raise at least £170m (£80.7m) in new capital when privatised early in October. Page 10

## Soviets ready to join Gulf minesweeping if warships withdraw

BY ANDREW GOWERS, MIDDLE EAST EDITOR

THE SOVIET UNION has expressed willingness to participate in an international minesweeping effort in the Gulf, provided such a move is accompanied by the withdrawal of all foreign warships except minesweepers from the region.

The statement from the Soviet Foreign Ministry, released yesterday by the Soviet embassy in London, represents a development in Moscow's position in the Gulf crisis, which has hitherto consisted largely of insisting on the unconditional withdrawal of foreign navies.

It shows that the Soviets, like several Western countries, now regard the planting of mines as a significant threat to freedom of navigation in the Gulf. But its significance lies in the fact that Moscow has had at least two minesweepers in the Gulf for some time.

It is not clear whether these have been used for minesweeping duties or simply to escort Soviet flag merchant ships.

The statement condemned all acts which interfered with freedom of navigation, including mining. It can be taken as an

implicit criticism of Iran, which has been widely blamed for the proliferation of mines in international waters.

"We consider it necessary to start the search for a solution to the problem of mine clearing in the context of international efforts to normalise the situation in the area," the statement said.

"Such efforts should go hand in hand with the withdrawal of naval forces of outside countries, except minesweepers which would stay in the Gulf for an agreed period."

Soviet criticism of the US military build-up in the Gulf has been unremitting in recent weeks. Yesterday's statement reiterated Moscow's claim that by bolstering its forces in the region Washington was violating a clause in the recent United Nations Security Council resolution calling for a ceasefire in the Iran-Iraq war.

This clause urges all parties to exercise "maximum restraint" and to refrain from acts which might worsen the situation.

The difference between Moscow and Washington makes

it unlikely for the time being that an international minesweeping force could be put together. Another impediment was Washington's refusal of a Soviet offer of high-level bilateral talks on the Gulf, on the grounds that this might "legitimise" the Soviet presence there.

Soviet officials say Moscow remains keen to pursue political solutions to the crisis, through implementation of the Security Council resolution.

Unlike the US and Britain, it believes there is still a chance for mediation in that Iran has not rejected the resolution out of hand, and has invited Mr Javier Perez de Cuellar, the UN Secretary-General, to Tehran. Mr Perez de Cuellar is considering whether to go.

There is suspicion of the Soviet stance in the West, however. The US and Britain believe Moscow is keeping its options open with a view to enhancing its influence in Iran.

US to beef up naval command, Dutch call for W. European initiative, Page 2

## Stock Exchange acts on share transfer backlog

BY CLIVE WOLMAN

THE Stock Exchange and company registrars yesterday announced an initiative to ease the backlog of unsettled transactions, or bargains, by allowing share transfers to be certified swiftly through a central facilities service.

An office will be opened in the next few weeks, probably in a corner of the largely empty Stock Exchange floor, with facilities links to the main company registrar services.

An investor who has sold shares but cannot deliver the share certificates, because the certificates have not yet been delivered, will be able to send a broker to the Stock Exchange office with a transfer form.

A copy will then be sent by facsimile to the relevant share registrar, who will certify it and return a copy by facsimile. This will allow the Stock

Exchange to certify the broker's original form which can then be delivered, in place of a share certificate, to the new purchaser in exchange for cash.

Mr Noel Walker, managing director of St Regis Registrars and chairman of the Registrar's Group, said: "We will probably have a gold star service which will achieve a two-hour turnaround, when there is a lot of money at stake."

He said the investor would probably have to pay about 25p for this service. A cheaper 24-hour service would be offered, plus a three-day service with no charge to the users, which would use couriers rather than facsimile.

The Stock Exchange has an existing courier service, but only for investors who can deliver their share certificates.

Mr Walker estimated that

less than 1 per cent of the 60,000 or so share bargains transacted daily through the Stock Exchange would have to be settled through this process.

Although this will include many of the largest bargains, and that registrars would be able to rely on their existing staff to operate it.

The attraction of the system to sellers is that it will allow them to receive their money as soon as they deliver the certified documents.

Mr Walker warned against seeing the system as a panacea. He said many of the delays were in the back offices of the securities firms rather than in the process of transferring the documents to the company registrars.

"We are still getting the documents from brokers now for deals which were done in April and May," he said.

## British markets steady after volatile week

BY JANET BUSH IN LONDON AND IAN RODGER IN TOKYO

BRITISH financial markets ended an extremely volatile week on a calmer note yesterday as some investors tentatively stepped into the equity and UK Government bond markets looking for bargains after Thursday's dramatic falls.

The dollar, however, had another difficult day as traders reacted negatively to official statistics showing US economic growth had been weaker than previously estimated in the second quarter and a lower than expected rise in consumer prices last month.

Although a longer-run view would suggest the prices data were encouraging news for the US economy, traders took the figures badly as they seemed to make less likely an interest rate rise which would bolster the dollar and increase the attraction of US bonds.

In London gilts closed about three-quarters of a point higher as yields on longer-dated stocks — which had touched 10 1/2 per cent after Thursday's news of a 4.9bn jump in bank lending last month — attracted small-scale but fairly persistent buying.

Anecdotal evidence suggests overseas investors are starting to show interest in current very attractive yields but still feel market conditions are too volatile to actually buy stock. The mood remained highly nervous yesterday and the focus has now turned to the next set of key official statistics — July's balance of payments on September 1.

On the London equity market the FT-SE 100 index closed the day 20.5 higher at 2,205.8, still some 90 points below last Friday's close and 20 points below the level it reached the day after base lending rates rose to 10 per cent.

The FT Ordinary index ended 27 points higher at 1,727.2, reflecting tentative bargain-hunting and a positive opening on Wall Street. Nerves in this market, too, are looking for bargains after Thursday's recovery had little conviction.

Sterling closed a touch weaker against most currencies but rose against the weak dollar. Overall, the Bank of England's trade-weighted index finished 0.2 up on the day at 72.6.

The dollar again lost ground, closing in London at DM 1.5180 compared with Thursday's closing DM 1.5275 and at Y142.70 after Y144.10, somewhat above the day's lows of DM 1.5145 and Y142.50.

Business was most active in Tokyo, where the Bank of Japan again intervened to support the dollar, and in New York after the figures were released.

In Tokyo the dollar got off to a bad start when Mr Kiichi Miyazawa, Japan's Finance Minister, was reported as saying that now was not the time for co-ordinated central bank intervention.

He said the "better" currency rate was "better" alone, sending the dollar sharply downwards again.

Mr Yasushi Mieno, the Bank of Japan's deputy governor, said at a parliamentary committee hearing that the bank was ready to carry out co-ordinated market intervention to stop the rapid rise in the yen if necessary.

He attributed the dollar's fall this week to last Friday's poor US trade figures and "speculative selling," but predicted it would not continue to decline.

US statistics, Page 2; Editorial comment, Page 6; *See, Back Page*

## Unit trust sales surge to record £1.87bn in July

BY ERIC SHORT

A SURGE of interest in unit trusts, for which sales are expected in the industry to top £1bn again in August, reflects a number of factors. Buoyant stock markets worldwide have been attracting investors to equities in general and to unit trusts in particular.

New marketing outlets bringing unit trusts to a much wider public have been opened by the progressive entry of traditional life companies over the past two or three years. These companies have been building societies, Page 4

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## WEEKEND FT



### ISLAM

Sectional differences between Sunni and Shia aggravate political conflicts as tensions mount in the Gulf region. Page 1

### FINANCE

Polarisation—advisers in two camps. Page VI

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Full details of the ICI move on Millbank. Page VIII

### NICARAGUA

Shades of Oliver North — in 1985. Page XII

### EUREKA!

Mini-television. Page XIII

### ARTS

Britten's War Requiem in Berlin. Page XV

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## OVERSEAS NEWS

## Hart 'considers re-entering race for president'

BY LIONEL BARBER IN WASHINGTON

MR GARY HART, the former Democratic Party presidential candidate, said yesterday he was considering re-entering the race this autumn.

In the US, associates of the one-time Democratic front-runner expressed disbelief. Mr Hart withdrew his candidacy last May after it was widely reported that he spent a night with a Miami model in his Washington townhouse.



Gary Hart: not gone fishing

The speculation was touched off by Mr William Dixon, Mr Hart's campaign manager until a few days before his withdrawal, who predicted the former Colorado Senator would be back in the race in the next 30 to 60 days.

Mr Hart, pressed by reporters yesterday in Ireland, fuelled matters by refusing to confirm or deny the rumours. But he told the Irish Radio and Television network that he was returning to the US immediately "because of developments."

Mr Hart's 1988 campaign was dogged by debts from 1984 when he came close to beating Mr Walter Mondale for the Democratic nomination.

Though Mr Hart withdrew in disgrace last May, he remains far better known than the seven other Democrats now in the race: Mr Bruce Babbitt, former governor of Arizona, Mr Michael Dukakis, governor of Massachusetts, Senator Paul Simon of Illinois, Senator Albert Gore of Tennessee, Rev Jesse Jackson, Congressman Richard Gephardt of Missouri, and Senator Joe Biden of Delaware.

## Mafia supergrass out in the cold

BY LIONEL BARBER IN WASHINGTON

MR ALADENA (Jimmy the Weasel) Fratianno, the Mafia hitman turned government informant, is losing his \$100,000 a year living allowance from the US Justice Department.

The informant, who has been in the knowledge that the Los Angeles mob had put out a contract on his life.

Mr Fratianno, 74, was one of the longest-serving claimants under the federal witness programme which offers protection to informants.

Under the federal witness programme, which began in 1970, informants receive protection from US marshals when they testify against some living expenses. They are expected to try to earn an honest living.

Mr Fratianno disagreed in his phone call: "I'm 74 years old. Where am I going to get work at my age?"

Crime-watchers note, however, that Mr Fratianno has eked out a living during his time underground. He has written two books about his life and times as a mobster, and has also made the odd appearance on US television. On Monday, he emerged as a shadowy figure in a programme, "Sons of Scarface."

## Argentina starts signing of debt agreement

By Stephen Fidler

Argentina and its creditor banks yesterday started the signing of a \$34.7bn rescheduling agreement and a Citibank official said his bank hopes to swap \$500m of loans for investment in Argentine companies, agencies report from New York.

The agreement is the first to include a menu of options, and includes provisions for debt-to-equity conversion and exit bonds which allow banks to absorb themselves from future financings. Bankers said it was the quickest major rescheduling agreement ever put together.

Mr L. Richard Handley, president of Citibank in Argentina, said that the New York bank hoped to make around \$500m in debt-to-equity swaps but gave no further details.

The package includes restructuring of about \$30bn of public and private sector debt, a trade credit maintenance facility, a standby money market facility of about \$25m, and \$1.5bn in new money.

Argentina's first drawdown for \$750m on the new loan is expected to occur next month, provided a loosely defined "critical mass" of the country's \$20 credit banks sign.

"We consider this to be a considerable step forward," economy minister Mr Juan Sourrouille said at the signing.

The new money facility comprises a \$1.05bn medium-term loan, a \$500m co-financing with the World Bank and a \$400m trade credit and deposit facility.

The medium-term loan and co-financing carry a fixed rate of 1 per cent over London Interbank Offered Rates (Libor) and a 12-year maturity with a five years' grace.

## US beefs up Gulf naval command

BY TONY WALKER IN BAHRAIN

THE US IS sending a two star admiral to take command in the Gulf where the US military is mounting the biggest gathering of its warships in peacetime. The huge naval build-up is expected to reach 41 ships and at least 20,000 men in the next few weeks.

The Defence Department announced yesterday that Rear Admiral Dennis Brooks would assume command of the US armada and associated army and air force units of the Joint Task Force Middle East.

Mr Don Kerr of the International Institute of Strategic Studies in London said that because of the size of the US force it was appropriate that it should be commanded by a senior admiral.

He expects that Rear Admiral Brooks will use as his flagship the carrier, USS Constellation, now in the northern Arabian Sea, or the battleship, USS Missouri, which is expected in the region within a week.

Mr Kerr said there appeared an element of overkill in the US military build-up but added: "I am quite sure that the majority of ships were sent in the hope there would be no need for direct military action."

When the Missouri arrives with its arsenal of heavy guns and cruise missiles, the US will be able to strike at targets almost anywhere in Iran.

In Tehran yesterday Ali Akbar Hashemi Rafsanjani, the powerful parliamentary speaker, described the Gulf as a powder keg that could explode at any moment.

Mr Rafsanjani also claimed in a speech at Friday prayers that a US warship had hit a mine, but this had been "covered up."

In Baghdad yesterday a military spokesman said planes had carried out air strikes against economic targets in south-west Iran. Iraq resumed bombing missions against oil

installations and industrial complexes in Iran on August 10 after a break of more than a month.

The Pentagon, military analysts say, clearly recognises that its massive commitment of ships and men to the Gulf requires a unified command located so that it can take charge of a highly complex operation.

The US naval command in the region is somewhat fragmented. Vessels on duty in the Gulf itself, numbering about 10, are under the immediate control of a rear admiral based on the command ship USS La Salle, that is often anchored in waters off Bahrain in the central Gulf.

US warships such as the USS Constellation operate under a different command structure. The current setup is a hodge-podge, retired Rear-Admiral Gene La Roche, a naval analyst, was quoted as saying. "An on-scene would be better prepared for combat, whether

offensive or defensive."

The US faces serious logistical difficulties in its Gulf naval build-up because the countries of the region are reluctant to provide base facilities for fear of Iranian reprisals.

Meanwhile a convoy of three refuelled Kuwaiti tankers under US naval escort was further delayed by bad weather yesterday in waters north of Bahrain. High winds, heavy seas and poor visibility stalled the convoy on Thursday.

The poor conditions made it difficult for Sea Stallion mine-hunting helicopters, operating from the marines assault vessel USS Guadalcanal, to carry out operations in the waters of the northern Gulf where Iran is believed to have laid mines.

This is the third convoy of Kuwait tankers, flying the Stars and Stripes, that US naval warships have escorted up the Gulf. The convoy includes two liquefied gas carriers and a petroleum ship.

## Dutch call for West European initiative

BY LAURA RAUIN IN AMSTERDAM

THE NETHERLANDS' surprise announcement this week that it is ready to send warships to the Gulf aims to galvanise Western Europe into a joint initiative that would mean the fence broken by earlier refusals to aid the US in the region.

Mr Hans Van Den Broek, the Dutch Foreign Minister, went out of his way on Thursday to emphasise the Netherlands' reversal of its earlier position in an effort to breathe new life into flagging attempts to forge a common European position on the tanker war.

His unusually decisive statement by Dutch standards also was a recognition that the UN has failed to mobilise a keeping force that could calm

tensions in the Iran-Iraq war.

Mr Van Den Broek sought to refute claims by the US and the UK that Western Europeans had neglected their responsibilities to protect oil supplies.

As chairman of the Western European Union, a seven-nation forum for consulting on security issues, the Netherlands would clearly like to co-ordinate a European response to the crisis.

Mr Van Den Broek's announcement, following an emergency WEU meeting of high civil servants, clearly went further than the vague statement issued afterwards, in a public bid to ad a sense of urgency.

The WEU comprises the

Netherlands, Belgium, Luxembourg, Britain, France, West Germany and Italy.

The stumbling block is what form a joint initiative would take. A WEU fleet is virtually ruled out since the forum until recently a moribund group, addresses only political issues and steps well short of organising military forays.

A form of co-ordination between the Netherlands and Britain, which supports a unified effort and already has warships in the Gulf, and perhaps Italy, where domestic pressure for such a move is growing, seems one possibility. Whether West Germany could get around its constitutional ban on send-

ing troops outside the Nato theatre is more doubtful although Belgium is thought to be amenable.

France, which also has warships in the Gulf, as usual appears reluctant to get involved in an early co-ordinated command.

Mr Van Den Broek is hoping that the WEU members will respond positively to this week's WEU meeting soon. But in view of the lack of urgency seen in recent consultations between the capitals an early decision seems unlikely. The WEU has a meeting of ministers in the Hague on October 26-27, by which time the passage of which force a stronger gesture.

## State bank plan hits Peru's credit lines

By Barbara Durr in Lima

PERU has lost \$100 million in international trade credit facilities as a result of President Alan Garcia's move to nationalise the private financial system, according to Mr Francisco Parde Mesones, President of the Association of Banks.

Mr Parde said the loss represented between 35 per cent and 50 per cent of all of Peru's international credit facilities. "We are going to have a great deal more difficulty importing capital and consumer goods."

George Picasso, President of the Banco de Comercio, showed journalists a copy of a telex Citibank sent on August 3, suspending all its bank's credit lines until the nationalisation measure could be avoided.

Mr Parde also said private banks were experiencing a run on savings as the Peruvian public panicked about why the nationalisation measure. The Banco de Comercio, the country's premier private bank, lost 5 per cent of its savings deposits in the last three weeks, and one of its five computer banks, Banco Wiese, has lost 10 per cent.

As the nationalisation law is being debated in the Senate, the political polarisation of the country has deepened. Virtually every night President Alan Garcia and his opponents have held competing public rallies for and against the nationalisation. The largest rally against the measure, led by internationally known novelist Mario Vargas Llosa, was scheduled for Friday.

## Euro MPs seek to scrap Cocom

BY GEORGE GRAHAM IN PARIS

COCOM, the committee which regulates technology exports to the Eastern bloc, is coming under attack from the European Parliament.

European MPs are to table a motion calling for Cocom—the Co-ordinating Committee for Multinational Export Controls—to be dissolved and for control over the export of high technology to be returned to Nato.

Paris-based Cocom, which recently agreed to relax its restrictions on exports of personal computers, has aroused considerable resentment from European countries which feel the US has used the organisation to force curbs on trading with the Eastern bloc.

Beside claims that US policy on technology transfers has tended to fluctuate in line with

the movements in its own economy, some European countries have been angered by the increasing application of US laws outside its own frontiers.

After the recent Toshiba case, in which the Japanese electrical company was accused of selling defence equipment through Norway to the Soviet Union, Ireland is believed to be the next country on the US list.

A motion is in front of the economics and legal committee of the European Parliament which complains that IBM and Digital Equipment Corp, the two US computer groups, are seeking to impose US law on their customers within Europe and urges the European Commission to ensure free trade in high technology products within the European Community.

A subsequent motion now being drafted is expected to call for the dissolution of Cocom and to try to win support from speakers of national parliaments for a riposte to what is seen as a US assault on their sovereignty.

Set up in 1949 as a response to the Soviet threat perceived at the time, Cocom includes all Nato members and Japan. It attempts to control exports to the Eastern bloc of the kind of nuclear material, armaments and high technology.

With no executive powers, Cocom relies on member governments to enforce its decisions but according to a report, "exists only in so far as the partners of the US accept regulations which the US imposes on itself."

## Soviet oil find highlights demarcation dispute

BY KAREN FOSSLI IN OSLO

Soviet reports of an oil discovery in the Barents Sea have highlighted a demarcation dispute in the area between the Soviet Union and Norway.

Norwegian authorities say the discovery will do little to expedite discussions on long rights to the area should be divided. However, they say the distance of the new Soviet oil discovery from the disputed area is too great to affect ongoing discussions. Informal talks are planned for later this year.

Agreement has already been reached to share fishing rights in the grey area north of the Kola peninsula and east of the median line.

The Soviet Union has been

exploring the Barents Sea for oil and gas since 1982 without making any discoveries. This year Norwegian energy authorities opened up areas in the Norwegian part of the Barents Sea for oil and gas exploration to be undertaken by Norwegian and foreign oil companies.

Yesterday Aftenposten, Norway's largest newspaper, said the Soviet press had reported a new Soviet oil discovery on the island of Kulgjevar. The oil is being produced from 15 wells.

According to Soviet press reports, the discovery could yield a half million tonnes of oil by the end of the current Soviet Five-Year Energy Plan, in 1990.

## Waldheim book rejected by Austrian group

By Judy Dempsey in Vienna

A GROUP of young Austrian intellectuals, calling themselves the "New Austria," described a recent study of president Kurt Waldheim's wartime years as "historically incompetent and unprofessional."

The group, which yesterday that none of the allegations about Mr Waldheim's wartime activities were addressed in any serious way in the "white book."

The "white book" was compiled by a special task force set up by the Austrian Foreign Ministry. Dr Waldheim's son, Gerhard, was closely involved.

Mr Waldheim is alleged to have known about the murder of Yugoslav partisans and the deportation of Greek Jews

## Gandhi faces long row over Bofors

By John Elliott in New Delhi

MR RAJIV GANDHI, the Indian Prime Minister, faces the prospect of a long period of political uncertainty probably into next year because of allegations of government corruption on a \$1.4bn Bofors gun contract and other defence and development orders placed abroad.

Leading opposition MPs, including important rebels from Mr Gandhi's ruling Congress (I) Party, are preparing for a long campaign aimed at undermining the confidence of the government which is facing a wide range of problems.

They want to make sure that Mr Gandhi, who has denied involvement, would have



Rajiv Gandhi: has denied involvement

to resign if inquiries prove that Bofors kick-backs have benefited him or his close friends, or any of his own or his Italian-born wife's relatives.

It is this persistent suspicion that Mr Gandhi may be personally implicated which differentiates the Bofors issue from dozens of past allegations of corruption in India and it for this reason that opposition MPs are determined not to allow the matter to fade.

Yesterday the government was finalising arrangements for a parliamentary committee to inquire into the contract. The committee is being boycotted by opposition parties.

With the inquiry and the activities of opposition MPs who had been planning to visit Sweden, have been overtaken by the Swedish Public Prosecutor announcing in Stockholm that he is to investigate the bribery charges.

So opposition MPs are looking ahead to what is called the Budget session in February as the time when a showdown could come to a head. In the meantime they are likely to try to embarrass the government with other corruption allegations, including the payment of bribes on a \$400m West German submarine contract.

Dr Shankar Dayal Sharma, governor of Maharashtra and a Congress Party president, was last night elected unopposed as vice president of India. He succeeds Mr R. Venkataraman who became president last month.

## Yugoslav debt law closes mine with 500 jobs

A YUGOSLAV lead and zinc mine is due to close next week, leaving 500 miners out of work, as a tough new bankruptcy law claims its second victim in four days, mining officials said, Reuters reports.

The Suplja Stijena mine in Montenegro will be Yugoslavia's second largest under the law intended to help rejuvenate the struggling communist economy. The law became effective on July 1.

A construction company in Thigrod was wound up this week, leaving 1,600 workers jobless. Union officials have said 7,000 Yugoslav companies with 1.5m workers are in the debt.

The Prime Minister, Mr Branko Mitkic, struggling with 100 per cent inflation and a \$200m foreign debt, warned earlier this year that loss-making companies could no longer be bailed out and would have to be shut.

The head and zinc mine has reported losses of 1.600m dinars (\$1.5m).

Andrew Whitley reports from Jerusalem as the trial of John Demjanjuk for war crimes nears its end

## The crowd gets restless as the bull falls to its knees

SIX MONTHS after his trial on charges of crimes against humanity and the Jewish people began, Mr John Demjanjuk's defence is in such disarray that the only serious question being asked here is whether the anticipated death sentence will be commuted.

Humiliated by the way she was torn apart on the witness stand earlier this week, one expert called by the defence went so far as to try to kill herself on Thursday night.

Last month, Mr Mark O'Connor, chief counsel since 1983 in the legal proceedings against the burly Ukrainian accused of being a sadistic Nazi death camp guard, was dismissed. Since then, things have gone from bad to worse for the reorganised defence team, none of whom have experienced major trials such as this.

To be charitable, Mr Demjanjuk's own performance on the witness stand earlier this month could best be described as stumbling. After pleading repeatedly that his memory was faulty, and his education never went beyond primary school, in a moment of pure pithos when he told his tormentors: "My biggest tragedy is that I don't know how to answer."

The two "expert witnesses" the defence subsequently called in an attempt to shake the prosecution's key piece of evidence—an identity card from the Nazi Trawnik training camp for guards in Poland—did little to improve the situation. They were forced into retractions and pleas for more time to study the evidence, and their authority was left in tatters by Mr Michael Shaked, the leading Israeli state prosecutor.

To the embarrassment of the Demjanjuk family, over here from the US to observe the trial, the lack of "validations of the latest witness," Mrs Anita Pritchard, was dismissed. Virtually every night President Alan Garcia and his opponents have held competing public rallies for and against the nationalisation. The largest rally against the measure, led by internationally known novelist Mario Vargas Llosa, was scheduled for Friday.

Three days after being released from the stand, Mrs Pritchard tried to commit suicide. She failed, but her attempt nevertheless highlighted the confusion into which the Demjanjuk defence has been thrown.

With no other credible witnesses in sight, the defence has



John Demjanjuk arriving at Ben Gurion airport in February. He is accused of being "Ivan the Terrible"

even withdrawn its original intention to put Mrs Vera Demjanjuk on the stand, ostensibly to spare her feelings. But those who have been following the case closely say the private fear is that her evidence could hinder rather than help her husband's cause.

Over the past six months, the three judges, headed by the laic Judge Dov Levin, have consistently appeared to favour the prosecution through their

Demjanjuk camp of a dramatic improvement in their prospects after the break. Faith rather than any solid evidence appears to be their remaining trump card.

"The hope and the prayer of Demjanjuk and the family now is that someone will come forward from a prisoner-of-war camp and recognise him," said Mr Paul Chumak, who has just joined the defence team to replace Mr O'Connor, dismissed at the family's insistence for lack of competence. A former state prosecutor from Toronto, Mr Chumak, whose chief attribute is that he is also of Ukrainian origin, admits that his previous hesitation as the man nicknamed "Ivan the Terrible," the defence has yet to produce anyone to testify in favour of the defendant's contention that during the critical dates he was himself a prisoner elsewhere, digging peat.

Making matters worse is an anonymous public wrangle between Mr O'Connor, who is

hanging on to certain key documents, on the one hand and the Demjanjuk family and the new defence team on the other. Despite having been paid, according to the family, some \$600,000 in fees over the past five years, the former chief counsel refuses to hand over the documents until he is paid a further \$250,000 he says he is owed.

No one is willing to put a figure on how much the intensive fund-raising efforts among the Ukrainian emigre community in North America and elsewhere, including the UK, have raised so far for the Demjanjuk defence. An estimate of at least \$2m would be reasonable.

But indicted by the current state of play at this probably Israel's last major war crimes trial, up to now the defence fund has not been put to good use.

In spite of the tragicomic performance of the defence, public interest in Israel in the trial remains high. But the crowd is getting restless. Like a wounded bull on its knees, refusing to get up and fight to the end, the defence is regarded as having undermined the prowess of the matador and, more critically, the credibility of the content itself.







## UK NEWS

# Repossessions by building societies at record level

By HUGO DIXON

THE NUMBER of homes being repossessed by building societies rose to a record in the first six months of this year, according to figures released yesterday by the Building Societies Association. This led to a warning that debt problems may be getting worse.

The association's figures also show that mortgage lending is still growing. In July, societies lent £3.4bn gross, up from £3.2bn in June.

In the first six months of the year, 11,620 homes were taken into possession, up from 10,330 in the second half of last year, when there had been a slight improvement. The latest figure is equivalent to 0.163 per cent of the total number of loans held by societies outstanding at the end of June, up from 0.146 per cent at the end of last year.

The position on mortgage arrears also deteriorated, with 0.90 per cent of loans in arrears of more than six months in the first half of this year, compared

with 0.80 per cent in the last half.

However, the association said arrears were below the record level set in the first half of last year, and hoped the situation would improve as unemployment, a main cause of debt problems, continued to fall.

Societies' performance in the retail savings market was hit last month by the flotation of BAA and a strong performance by the unit trust industry. Net retail receipts were only £847m, compared with £866m in June.

The next few months are expected to be equally difficult. The second calls for money from British Airways and TSB share-holders are on August 18 and September 8 respectively, and the sale of the Government's remaining stake in BP is planned for October.

The poor performance in the retail savings market meant societies had to borrow £430m net from wholesale markets in July, to finance mortgage lending, when in June they had paid back a net £43m.

## Two Eurobond traders suspended over dealings

By ALEXANDER NICOLL

LONDON INVESTMENT Trust, a futures, options and securities trading group, said yesterday that its Bailey Shatkin subsidiary had suspended two Eurobond traders after uncovering irregularities in their dealings.

Legal action is understood to be under way against the two, who were not identified.

The company said the incident would have no financial effect, either on the company or on any of its clients.

Bailey Shatkin is mainly a futures and options trading firm with about 150 employees, but also has a small Eurobond trading operation with half a dozen traders dealing for its own account. It is not listed as a member of the Association of International Bond Dealers, the Zurich-based trade association for the Eurobond market.

The two dealers are understood to have been suspended

about a week ago. This was disclosed, however, only when rumours began circulating in the market that serious losses had been incurred—which the company denies.

The company said dealings had been identified by Bailey Shatkin's surveillance mechanisms at an early stage, and it expected that "swift action" taken by the management would close the incident very quickly.

Bailey Shatkin more than doubled its profits in its most recent financial year to £1.9m, out of the parent company's pre-tax earnings of £6.02m.

Mr Paul Dupe, a US businessman who recently became chairman of the London Investment Trust after buying more than 20 per cent of the company, was yesterday on holiday in the US.

## News on Sunday names editor to oversee relaunch

By CLARE PEARSON

MR BILL NUTTING was yesterday appointed editor of the News on Sunday to oversee a relaunch of the troubled left-of-centre national newspaper planned for the autumn.

He will be the fourth editor since its launch in April.

His appointment follows the resignation this week of Mr Brian Whitaker, the acting editor. Mr Whitaker claimed that Mr Nutting, who has been editorial consultant for the last six weeks, was producing the

paper without consulting him.

Mr Nutting was brought in by Mr Owen Oyston, the socialist millionaire and architect of the estimated £8m package which saved the paper from the receivers in June.

Mr Nutting, 51, was executive editor of the London Evening Standard for six years after spending five years as executive editor of the London Evening News. He joined the News from his sister paper, the Daily Mail, where he worked for 13 years.

## Moss Bros aims to suit busy executives

By Alice Rawsthorn

FOR MORE than a century Moss Bros has been supplying toppers and tails to bridegrooms and racegoers. It is now turning its attention to the fashionable sphere of the "business" with the introduction of the Suit Co, a chain of shops selling nothing but men's suits.

The Suit Co is intended to offer a selection of suits for busy businessmen who do not have time to travel up and down the high street to track them. Moss Bros opened two pilot shops in London and Birmingham in May. It will open four more in the next two weeks and a further 14 next year.

Moss Bros has identified its target market as male executives between the ages of 25 and 40. Most of the merchandise comes from branded manufacturers and designers but the Suit Co also sells own-label suits. Prices range from £79 to £299 and average £140.

The established Moss Bros business, a chain of 54 menswear shops, is directed at an older age group. For some years the group has considered plans to broaden its base by seeking younger customers. These plans were accelerated by senior management changes earlier this year, when Mr Monty Moss and Mr Manny Silverman stepped down as chairman and managing director respectively, to be replaced by Mr Wilfred Cass and Mr Peter Moss.

After years of decline the men's suits market is reviving. Competition among retailers has intensified. Marks and Spencer has continued to gain ground, while Next and the Burton Group have expanded into the market through their new lines, Next (M) and Principles for Men.

## Yamaha buys Leicester drum maker

By David Thomas

YAMAHA, the diversified Japanese group, has taken over Premier Drum, a loss-making Leicester company which claims to be Britain's leading percussion instrument manufacturer.

The price paid for Premier, which is owned by managers and financial institutions, was not disclosed.

Yamaha said it wanted to establish a percussion instrument manufacturing base outside the Far East. Last year, it bought a 40 per cent stake in Kemble, a leading piano maker in its first UK musical instrument investment.

Mr Tony Doughty, who is to continue as Premier's chairman, said the Yamaha and Premier product ranges were complementary and Yamaha's backing would help Premier increase exports. At present, about half of its £4m sales are exported.

Yamaha will also make some of its own drums at the Leicester factory which is working below capacity.

# David Churchill looks at the shadow of bankruptcy cast over the package holiday trade

## Tour operators find themselves in a hot spot

WHILE 3m Britons bask in the Mediterranean sun this weekend, the real hot spot for the travel trade is in London where several package tour operators are desperately trying to stay in business.

During the next few weeks operators will be faced with paying their bills to airlines and hotels for tourists currently on holiday during the busiest month of the year.

The problem will come when operators who have been trading at a loss run out of cash. Already the travel industry is buzzing with rumours about several small operators which are likely to call in the receiver — to add to the two that went bankrupt last month.

Mr Chris Watson, managing director of the Pickfords Travel agency chain, said: "I do not think there will be any spectacular collapses but we can expect to see a number of small operators going out of business before very long when they find they can't pay the airlines." At the same time the trade expects to see more rationalisation along the lines of last week's takeover of the Rank Organisation's Wings subsidiary by Horizon Travel, which

itself was acquired by the Bass Group earlier this year.

The impact of this and other possible mergers in the pipeline will be to further increase the market dominance of the big three tour operators—Thomson Travel, Intasun and Horizon—which between them control about two-thirds of the package holiday market.

Such concentration is already worrying some small tour operators. Mr Keith St Clair, managing director of Sol Holidays and a leading figure in the travel trade, said yesterday: "This latest example of merger-mania should worry the travel industry and shows its lemming-like desire to self-destruct."

He claimed that the main tour operators were "intent on increasing their market share by selling holidays at ridiculously low prices, which is not in the long-term interests of the consumer."

The problem faced by Sol and other small operators is that their larger rivals are chasing volume. The growth in demand for foreign holidays in the mid-1980s—fuelled by rising living standards—has seen the number of package holidays sold rise from just under 3m

NUMBER OF PACKAGE HOLIDAYS LICENSED BY THE CAA	
	1987 (m)
Thomson	3.75
Int. Leisure	1.81
Horizon	0.88
BA	0.84
Wings*	0.45
Best Travel	0.27
Vegetours	0.25
Compass	0.25
Falcon	0.20
Redwood	0.15m

\* Now part of Horizon  
Source: Civil Aviation Authority

In 1985 to at least 11m this year.

The big three operators, however, have tried the holidays they have put on offer — from 2m in 1983 to about 6m this year.

Thomson and Intasun are the clear market leaders with some 30 per cent and 20 per cent of the market respectively. Horizon, however, had only about 10 per cent of the market before this week's takeover of Wings, although the acquisition

takes its market share up to about 14 per cent.

Mr Robert Muckleson, chief executive of Horizon Travel, said: "We realised we had to increase our volume share of the expanding market and felt the best way to achieve this was through the acquisition of Wings."

Tour operators such as Wings — whose holiday companies included OSL and Blue Sky — have found it increasingly difficult to compete with the main operators on price to the same holiday destinations, such as Spain and Greece.

Wings made a loss in each of the past three years and British Airways Holidays — which trades under names such as Enterprise and Sovereign — also made a loss of £4.8m last year.

The operators that will best survive current turmoils in the travel trade are the small, specialist operators who sell package holidays to particular niche markets. Summed Holidays, for example, which is part of Redwood Travel, has captured the large slice of the package holiday market to

Turkey — the "in" destination this summer.

The main reason for the year's problems is operators' greed. The bumper summer last year encouraged operators to plan for a 30 per cent increase in the market this year.

The market, however, has grown by much less — by about 5 per cent in volume according to the most pessimistic reports and by 15 per cent according to optimists.

Holidaymakers, in fact, are likely to suffer least in the short-term from the travel trade's problems. The various bonding systems in operation mean that most holidaymakers who have booked and paid for a holiday will get their holiday or their money back.

However, it is in the longer term that problems for holidaymakers could arise. As Mr St Clair of Sol Holidays said: "Once total domination of the market is achieved by the major operators they will be in a position to dictate prices without fear of competition from smaller tour operators who will have been pushed to the wall."

## Sale of Victoria Coach Station stopped

By KEVIN BROWN, TRANSPORT CORRESPONDENT

VICTORIA COACH Station, the main London terminal for long distance coach operators, has been withdrawn from sale to the private sector.

Mr David Mitchell, the Transport Minister, has instructed the National Bus Company, which operates Victoria, to hand over the terminal to London Regional Transport, which runs the capital's bus and underground services.

Mr Mitchell said Victoria should remain in public ownership until long-term strategic decisions had been made on London's coach services.

A public inquiry is to be held early next year into proposals put forward by London Regional Transport for a major

terminal at Paddington, in west London.

The inquiry will consider earlier London Regional Transport proposals for a terminal at Vauxhall, south London, and local authority proposals for a series of small terminals around the M25 orbital motorway.

No decision has been reached on how the National Bus Company is to be compensated for the loss of an asset estimated to be worth as much as £12m on the open market. Several potential purchasers are believed to have made offers for Victoria.

The National Bus Company is more than half way through the privatisation of its 73 subsidiaries, most of which are

rural bus companies. The programme is expected to be completed by the end of January and should not cost £200m for the Treasury.

Mr Mitchell has asked Mr Rodney Lund, the company's chairman, to discuss with Sir Keith Bright, chairman of London Regional Transport, the most appropriate means of achieving the transfer of Victoria.

Mr Mitchell said it was important that the public inquiry should be able to consider all the strategies for coach stations in London without finding that any options had been closed off in advance.

He said the Government could not rule out the possibility that the evidence pre-

sented to the inquiry would suggest a continuing long-term role for Victoria.

Mr Mitchell referred London Regional Transport's proposals to a public inquiry after opposition from the Conservative-controlled Westminster City Council and Mr John Wheeler, the Conservative MP for Westminster North.

The need for additional coach terminal facilities in London is undisputed. Victoria can handle only 150 coach departures per hour compared with peak demand of about 170 per hour.

About a third of Victoria's capacity will be lost when the lease on part of the terminal expires next year, though it is believed the lease could be extended.

## Luton district bus company bought by employees

By KEVIN BROWN

LONDON BUSES yesterday decided to hand five tendered routes operated from Northampton back to London Regional Transport, its parent, after a revised conditions package including cuts in hourly pay was rejected by drivers of one-man buses, writes John Gapper.

The Northampton workers voted by 97 to 28 against accepting the package as 38

engineers at the garage joined 2,300 colleagues across London in a separate 24-hour strike over the effects of tendering.

Luton Buses said yesterday it expected to continue to operate the Northampton services until LRT could find a contractor to take them over. However, it added that the staff had "voted themselves out of a job."

The existing senior management is expected to form the board of the privatised company with employees shareholders represented by Mr Cummings, who is to be appointed managing director.

The company was part of the Northampton-based United Counties Omnibus, which was split into three by the National Bus Company at the beginning of the privatisation process.

free to take whatever shareholding they wish. The company will continue to be managed in the traditional way.

The buy-out was initiated by Mr Graham Cummings, a senior manager of Luton and District, and negotiated by a committee including Mr Chris Pitcher, chairman of the Luton branch of the Transport Workers' Union.

The company was part of the Northampton-based United Counties Omnibus, which was split into three by the National Bus Company at the beginning of the privatisation process.

Britain's subscription to CERN this year is £58m, 9 per cent of the total science budget.

The advisory board's report proposed that the contribution to CERN should be halved, to a maximum of £30m a year.

The Science and Engineering Research Council, which pays the CERN subscription, has already asked the committee of researchers for CERN at the Rutherford Appleton Laboratory, near Oxford, by 20 per cent, or £2m over the next three years.

CERN has a staff of 3,500, of whom 334 are British. Also more than 500 staff members at the Rutherford Appleton Laboratory are engaged in work for CERN in the design and construction of its experiments.

The Government is already being lobbied intensively by scientists following a recent decision not to expand the space science budget.

The physicists from the CERN-UK working group say in their letter that without research into particle physics, "other areas of scientific research have no bedrock on which to build an enduring edifice of understanding and benefiting human needs."

# Rural poverty research puts paid to green and pleasant myth

Alan Pike reports on evidence that inner-city deprivation has parallels in the countryside

WHEN THE summer sun illuminates the peaceful countryside along the English-Welsh border, it is difficult to spot similarities with the problems of inner-cities.

Evidence suggests, however, that the familiar manifestations of inner-city poverty, deprivation and lack of economic development may be paralleled in the countryside to a far greater extent than is commonly recognised, disguised by rural England's green and pleasant image.

Problems of rural poverty have been highlighted by a research project conducted by the Diocese of Hereford — the most rural in the Church of England. Some 2,000 local people have been involved in a two-year consultation process, and the church's activities have attracted the interest of MPs by drawing upon an unpublished study of deprivation in rural areas completed for the Environment Department in 1985.

This concluded that 25 per cent of all households in five sample rural areas were living in or on the margins of poverty, defined as having incomes of less than 140 per cent of the supplementary benefit level. One of the areas—south-west Shropshire—is within the Hereford diocese. The others were north-west Essex, the North Yorkshire Dales, north mid-Suffolk and the mid-Northumberland coast.

Contrary to popular belief, says Mr Brian McLaughlin, who carried out the research, problems of low pay were not confined to agricultural workers. "Low pay, long hours and poor working conditions were characteristic of many occupations in the rural economy but were particularly prominent in

clerical, retailing, catering and processing jobs."

Nearly half the council housing in the survey areas was occupied by families in or on the margins of poverty, while 40 per cent of private rented homes were job-tied. Poorer households were most dependent on village shops where prices were higher.

Many of those involved in the Hereford diocese exercise discovered evidence that supports such conclusions. Behind the statistics lurks a fear that unemployment in agriculture continues to decline, the problem will worsen with more younger people moving to towns and leaving behind an ageing, increasingly dependent population.

One Herefordshire village was found to have lost more than 50 per cent of its five to 15-year-olds—along with their parents—during the past 10 years.

Part of the difficulty of tackling the problem is practical. Less than half of Herefordshire's rural population is housed in gathered, village communities. Most people live in remote isolation.

Another drawback is that rural areas generally lack community organisations and enterprise agencies which provide a starting point for community and economic development in the inner-city.

One exception in Herefordshire is the Leominster Marches Project, the Community Projects Foundation's only rural community development scheme in Britain.

When it started in 1981 the project faced suspicion and sometimes hostility in an area which had no previous experience of professional community work. However, five years of assistance by project workers with youth work, community education, employment, and other issues have left many local people anxious that the scheme should not disappear when its CDF funding ends shortly.

Alternative sources of finance are being sought, but even this has added difficulties in the countryside—there are no big employers to approach for help, for example.

A survey by the project to test areas of small business growth revealed many problems—such as lack of information about training—which might be common to other rural areas. When the project called a meeting of local employment, education and training organisations to consider solutions it was the first time they had met together.

Discussions started by the Hereford diocese exercise may lead to the creation of a rural enterprise agency in Herefordshire. Although enterprise agencies have multiplied in Britain—London has more than 20—there are still almost none

in rural areas.

One of the biggest challenges of the Hereford research is to the Church itself. In the English countryside the Anglican Church remains well supported, influential and, more often than not, traditional. The very decision to conduct a research exercise looking at housing and employment conditions was not without its critics.

The diocese has already responded to the report by convening a conference to see whether a comprehensive plan for the area can be developed. It is drawing on US experience to try to set up a counselling and advice procedure for farm-workers facing redundancy.

The People, the Land and the Church, Hereford Diocese Board of Finance, The Palace, Hereford HR4 9BL, £5.25 inc postage.

Mr Steel suggested that the autumn merger negotiations would be successful without the SDP anti-merger faction. He anticipated that Mr Macdonald, the 51-year-old MP for Cumbria and Sutherland, could do a deal.

Mr Rodgers said a new united party should simply be called "The Alliance." He declared: "There is clearly no room for a fourth party on the centre group of politics. Our political system does not work like that and even a third party is the victim of the electoral squeeze."

Rejecting Dr Owen's course of going off on his own, Mr Rodgers said those "who choose to walk away can have no claim to the SDP they are about to leave."

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## Ford to build £10m research plant in Essex

By Kenneth Gooding, Motor Industry Correspondent

FORD IS to build another technical centre at its research and engineering establishment at Dunton, near Basildon, Essex.

It will cost about £10m and provide additional facilities for Ford's electrical and electronics operations section.

The section's European headquarters was opened at Basildon in 1985 at a cost of £1m.

Construction of the centre will start in the autumn and should be completed early in 1989.

Ford said yesterday the centre would conduct research into the design of engine management systems, spark plugs, the development of in-car entertainment components and systems, fuel pumps and instrumentation. It would also provide technical liaison offices for Ford's plastics and glass operations.

Nearly half the 51,000 sq ft of floor space would accommodate workshops, engine test cells, chassis dynamometers and development laboratories, which most modern facilities in Europe.

This is the second investment project to be announced for Dunton in the past year. Ford is also spending £5.5m to expand the vehicle emission laboratories there.

## Rodgers attacks Owen's stance

By OUR LABOUR CORRESPONDENT

MR BILL RODGERS, a co-founder of the Social Democratic Party, predicted last night that 90 per cent of members would join a merged Alliance and that any fourth "rump" led by Dr David Owen would be squeezed out of existence.

In an open letter to party members, Mr Rodgers, who is chairman of the Yes To Unity campaign for a merger with the Liberals, attacked Dr Owen for laying claim to the SDP in spite of a ballot showing a majority of the party in favour of merger.

He said Dr Owen's idea of an amicable separation was a non-starter. The former Labour Cabinet minister said the whole SDP membership "will be antagonised if those who lost

the ballot formed their own party within a party, to conduct guerrilla warfare designed to wreck the negotiations."

Mr Rodgers praised Mr Robert Macdonald who is standing for the SDP leadership. In a reference to the possibility of a leadership challenge from Mr John Cartwright, an Owen supporter, he said it was inconceivable that the party could be led by anyone who refused to act in the spirit of the ballot result.

His comments came in the wake of the latest attack from the Liberal leader Mr David Steel, who said in an article in the Guardian yesterday that Social Democrats supporting Dr Owen in opposing a merger with the Liberals amounted only to a splinter group.

Mr Steel suggested that the autumn merger negotiations would be successful without the SDP anti-merger faction. He anticipated that Mr Macdonald, the 51-year-old MP for Cumbria and Sutherland, could do a deal.

Mr Rodgers said a new united party should simply be called "The Alliance." He declared: "There is clearly no room for a fourth party on the centre group of politics. Our political system does not work like that and even a third party is the victim of the electoral squeeze."

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## UK NEWS-LABOUR

## Councils may consider quitting bargaining system

BY DAVID BRINDLE, LABOUR CORRESPONDENT

LEADERS OF local authorities in southern England may consider pulling out of the national pay and conditions bargaining system at a meeting next week.

The unprecedented meeting has been called following the outline 10.8 per cent national pay deal for 1m council manual workers. Some Conservative-controlled councils believe the deal gives too much for too little in return.

Mr Gareth Gimblett, chairman of Berkshire County Council and of the Association of County Councils manpower sub-committee, said yesterday that the meeting in Taunton on Wednesday was to look for "ways round" the deal.

Mr Gimblett said: "In terms of the national agreement, our opinions are very limited. If the employers feel as strongly as I

believe that they feel, then I think they will move outside the national agreement."

The manual workers' deal, still subject to final union approval, provides for local negotiations on flexible working. It does not meet the employers' original aim of removing from the national agreement the stipulation of premium payments for regular weekend working.

Next week's meeting of the chairmen of the local authorities' provincial bodies for the south, south-east and south-west is likely to consider ways in which county councils could band together in negotiations on the premium payments.

However, it is not clear how much support there would be for a breakaway from national bargaining. Lincolnshire Council is said to be pressing for

this in eastern England, but earlier signs of rebellion among Tory-controlled district councils seem to be abating.

Mr Gordon Wyatt, chairman of the Association of District Councils' manpower sub-committee, admitted yesterday that there had not been the widespread criticism of the pay deal that he had predicted.

Further, while critical of the deal, the Government has stopped short of repeating last year's call for councils to pull out of national negotiations if they disapproved of bargains being reached in their names.

Advocates of the manual workers' deal say it gives councils every chance to negotiate job and pay flexibility locally in anticipation of the compulsory competitive tendering regime being introduced by the Government.

## Recognition of NUJ ended at Today

By Our Labour Staff

THE TODAY newspaper has ended its informal recognition of the National Union of Journalists at its headquarters in London following its purchase by Mr Rupert Murdoch's News International group.

Mr David Montgomery, editor of the paper and managing director of News UK, its parent company, said yesterday that all 150 journalists on Today would be sent individual contracts of employment next week.

"We are not going to return to the bad, mad, sad days of Fleet Street here. We are going to do for our journalists what the NUJ has failed to do by giving them the status of other professionals, such as doctors and solicitors," he said.

"The NUJ has betrayed every journalist in the country by failing to negotiate for them the proper rewards of new technology and preferring instead to lie down with the NGA and Sogat (the print unions)."

The move is likely to rekindle conflict between the NUJ and News International that first flared when Mr Murdoch moved production of four of his titles to the company's plant at Wapping, east London.

Mr Montgomery said yesterday that News UK had made the decision alone without any prompting from News International. The NUJ is recognised on the Times, the Sunday Times, the Sun, and the News of the World — all of which are produced at Wapping.

Mr Eddy Shah, the original owner of Today, granted recognition to the NUJ chapel (office branch) at Today at the time of the newspaper's launch 18 months ago, but a formal agreement on staff conditions has never been negotiated.

Mr Montgomery's announcement yesterday followed an attempt by chapel officers and Mr Mike Smith, the NUJ's national newspaper organiser, to press for the newspaper's incoming management to re-open talks on an agreement.

Mr Walter Mason, the father (chairman) of the chapel, was said by a chapel officer to have been told that he faces dismissal if a chapel meeting next Friday disrupts production of the newspaper.

## British Coal names risk pits

BY CHARLES LEADSEATER, LABOUR STAFF

BRITISH COAL yesterday named six pits in the Yorkshire coalfield employing about 5,400 miners which could be closed should miners support a plan for rolling strike action at branch meetings this weekend.

Mr Albert Tuke, North Yorkshire area director, warned that strike action would increase the pits' already heavy losses and make their closure inevitable. He said the South Kirby, Redbrook and Woolley pits, in the Barnsley area, and the Prince of Wales colliery, at Pontefract, which together employ 3,000 workers, were the most at risk.

Mr Ted Horton, South Yorkshire area director, said the loss-making Markham Main and Hatfield collieries, employing 2,400 miners, would be endangered.

Branches will meet this weekend to discuss the recommendation of branch officials from throughout the coalfield to consider industrial action in protest at disciplinary measures taken against Mr Ted Scott, a union official at Sillingdale colliery. Mr Scott met senior union officials yesterday to consider how to respond to the corporation's offer of a job at

another colliery.

Branch activities in the Yorkshire coalfield said the branches would consider plans for a series of rolling one-week strikes in different parts of the coalfield or some form of overtime ban linked to one-day strikes. The plan has not been publicly endorsed by leaders of the Yorkshire area of the National Union of Mineworkers.

Mr Horton said that during the past month the South Yorkshire coalfield had been remarkably quiet, with only one shift lost through industrial action and all other disputes settled through negotiation.

## Flexible pay plan for speech therapists

BY OUR LABOUR CORRESPONDENT

THE TREND towards greater pay flexibility in the National Health Service was consolidated yesterday when the Government and health authorities tabled proposals for 3,000 speech therapists.

The predominantly female profession is, as expected, set to receive substantial salary increases in response to the campaign mounted by ASTMS, the white-collar union, which culminated this week with the submission of 1,200 claims for

equal pay for work of equal value.

However, the rises will be conditional on acceptance of a new grading structure which will allow health authorities the discretion to pay staff according to individual and local factors.

At present, speech therapists are graded according to staff numbers and populations served. Basic salary rates range from £7,368 to £9,720 for most staff, the equal-value claims being for double these rates in many cases.

Yesterday's offer does not quantify the "considerable" increase envisaged, but it proposes that a revised four-grade structure takes effect from next January, with lump-sum payments to compensate for the lack of an increase last April, as scheduled.

The offer says that grading would be carried out according to the size and nature of the speech therapy service provided, the individual's responsibilities and the specialist expertise required.

Essential information for corporate treasurers, financial directors, bankers, auditors and other advisers involved in the volatile financial market.



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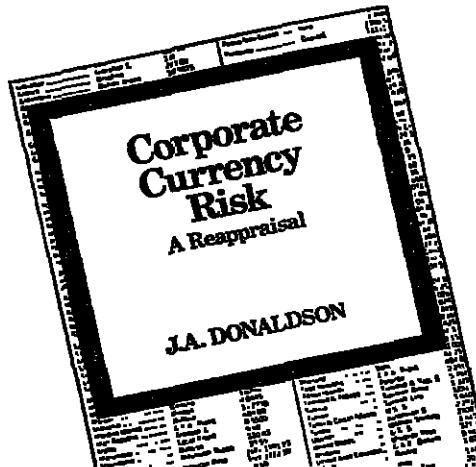
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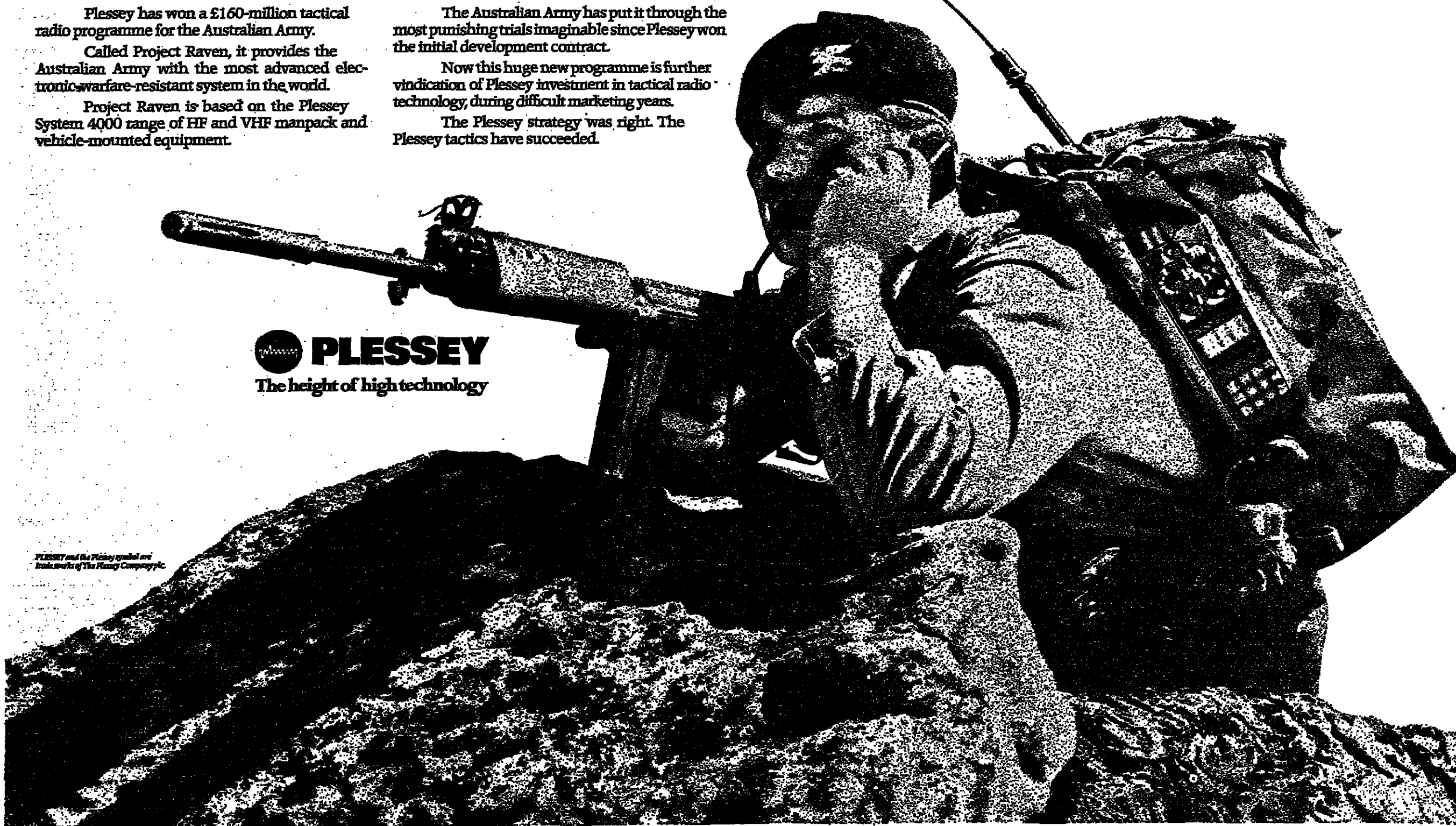
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Saturday August 22 1987

# Hot weather indigestion

ALTHOUGH followers of the London market would hardly suspect it, the developed world economy is going through unusually calm water at the moment. Growth is exceeding forecasts in Britain and Japan, and apparently meeting the Administration's hopes in the US, although these were until recently dismissed as impossibly optimistic. At the same time, inflation, outside the momentary shake-out of the asset markets, remains subdued, with commodity prices softening after their strong rise.

Looking further ahead, not even the professional warriors seem to find much to exercise their talents. The OECD in Paris is modestly revising its forecasts upwards. The National Institute in London, despite its habitual pessimism, is positively reassuring: worries about overheating in the UK are overdone, and the forecast deficit on the current account looks manageable.

If it's true the National Institute does warn that both the dollar and sterling are overvalued, but this is hardly a crisis warning. Substantial depreciation is already discounted in the markets, where investors require large interest rate margins to persuade them to hold dollars or sterling. As a result, the quite sharp slide in the dollar in the past few days seems to be causing little excitement.

## Signs of collapse

Why, then, has the London market been showing signs of incipient nervous collapse? It is now well over 10 per cent down from its post-election peak, while Tokyo and Wall Street have recovered to historic highs, and in the past two weeks London has been shocked twice by the same news. It over-reacted, then, and authorities raise interest rates for undisclosed reasons two weeks ago, and was shocked all over again when the bank lending figures showed what the reasons were.

The almost shamefaced rally yesterday afternoon was a sort of confession, but the illogical pattern of price movements is a more telling exposure of the half-panic among the market makers.

If the market fears inflation, then equities should be strong: they have an underpinning in real values. If, on the contrary, it fears strong Government intervention to check inflation, then long bonds, which are discounting inflation, should have risen rather than fallen. The fact that prices fell across the board simply means that market makers have been engaged in their own game of pass the parcel.

In the days before Big Bang the jobbers who had a comfortable near-monopoly, used to say that the first rule of sound jobbing was to avoid becoming an

investment trust—in other words, to avoid accumulating too much stock. When the investors showed signs of being rattled, however, they were prepared to break their own rules and take position, and often made a great deal of money by doing so.

Today's competitive market seems to work on the opposite principle. Turnover has doubled since Big Bang, but commissions on big deals have virtually disappeared, while costs have risen steeply. There are now ten times as many market-makers as there were before, and while the bull market lasted they made up the deficit precisely by acting as investment trusts.

## Seriously exposed

As a result the downturn left many of them seriously exposed; and since it has come (as it usually does) in the dog days of summer, when many potential investors are on holiday, they have had to trade quite largely with each other. Only quite sharp price falls have persuaded the holder of the more chastened to shorten their books.

While a cynic might describe the stuff of the current market as a serious question, is the new competitive structure inherently so volatile as to endanger the real economy outside?

The idea that the authorities should take a view on equity market values and seek to enforce it may sound like a mad socialist heresy; but that is in part what the Bank of England has been doing in the past few weeks while the Bank of Japan quite routinely gives a touch on the tiller from time to time. The currency markets are volatile for much the same technical reason: the absence of any substantial speculation against the market trend (which might be taken as a definition of perfect competition). Here too intervention was regarded as a heresy two or three years ago; it is now orthodox official thought.

The authorities have plenty of time to brood about this possible counter-reformation, because the worldwide securities boom will not be seriously tested as long as huge current account imbalances generate equally huge international flows of investment funds. The persistent record-setting in markets with a far less encouraging economic background than London shows how powerful this money is. In the longer run, however, official stabilisation may well be needed. That can mean cooling strong markets as well as supporting weak ones.

As Britain cools off from Madonna-mania, Antony Thorncroft looks at the economics of pop

# Bands of hope, few of glory

IN NOVEMBER 1983 the publicity department at WEA Records in London had a problem—how to cajole the press to come and review the first British appearance of a blonde and brassy American singer called Madonna. In the event they did not manage it, and this minor historical milestone passed largely unrecorded.

This month the same department had the even bigger problem of coping with the mass hysteria generated by Madonna's second appearance in the UK. This time very little information was released, which enabled the press to fantasise to its heart's content. And this time, almost 300,000 people watched the star's four performances, generating revenue of around £4.5m.

The sale of Madonna merchandise at the concert will contribute at least another £500,000. The expenses are equally monumental. Transporting 375 tons of equipment and a back-up team of a hundred (including her own chef) across the Atlantic, plus the booking of venues like Wembley Stadium, which now charges £180,000 a night for its vastly improved facilities, will have eaten up around £1.5m. In addition, the Inland Revenue will take 27 per cent of Madonna's earnings from the tour.

Even so, the 29-year-old from Michigan has been paid well for just over six hours of strutting the stage. More to the point, her tour has given a boost to her latest record "Who's that girl", which has recently slipped in the charts. Her movie of the same name, which opened to disastrous reviews in the US, will also pull in more fans on the trail of all the publicity.

Madonna is among the top earning pop stars of all time. In just five years she has chalked up record sales of 55m, compared with the Beatles' 100m in a much longer career. Films and live appearances have also helped her to the top of the earnings league. She has made it largely through will power, propped up by talent. It is a success story which inspires at least 50,000 semi-serious bands in the UK, all desperately seeking the pop music break to a fortune—by say nothing of fame.

Only a few hundred of the aspirants will get a toe-hold on Madonna's ladder. On the lower reaches of this ladder, they can only be sure of losing money. They start by playing in pubs and clubs, perhaps for nothing,

perhaps for a collective fee of £40. But to make any impact, a band needs to hire sound and lighting equipment which might cost £100, and a "humper," to look after it all. By these live appearances a coterie of loyal supporters can be created, and whippers of talent might begin to reach the ears of a record company scout.

If the band is good—and lucky—it may be asked to make a record, another major expense. Of the 150 or so singles released each week, only a handful make a profit. A total of 674m singles were sold in the UK last year, 8 per cent fewer than in 1985, and on average each lost around 0.1 of a penny.

Unfortunately for the aspirant groups, the cost of the expendable single has risen dramatically in the past five years. According to Mike Heap, former chief executive at WEA who now runs Legend, his own company, the cost of issuing a single has trebled since 1983 to £30,000. Production of a video to promote the single regarded as almost essential for success, accounts for part of the increase. But the main bonus has come from the cost of hiring a top value producer. This is the ace of the producer, and the best talents command £8,000 for three days work.

In the week that Madonna rampaged through the UK, Deacon Blue released their third single. They are a Glasgow band which, in the opinion of most pop aspirants, has made it. Their talent was noticed by Peter Felstead, who runs a small pop management company and went to see the band early in 1986. He was very impressed by lead singer and songwriter, Ricky Ross, signed him up, put new musicians around him, and approached his contacts in the record industry. CBS was impressed enough to offer the band an eight album, five-year contract last August, with an advance of £250,000 for the first year.

It sounds marvellous, but in practice the contract has many drawbacks. CBS can drop the band after the first year and from the £250,000 an album has to be created. In the event, the first Deacon Blue LP cost just under £100,000 to produce, something of a feat. The rest of the money pays for touring costs, the wages of the "humper," sound man, and organiser. The side musicians receive around £120 a week each. So far, the first album has sold 30,000 copies worldwide.

All the profit goes to CBS to help cover its investment. Only when it has sold 100,000 copies will the band start to make money, receiving between them around 60p from the average album selling price of £3.99. CBS plans to renew the Deacon Blue's contract. There has been overseas interest—in Australia and the Netherlands—and the album is due to be released in the US in January. It also has "cross-over" potential, the most sought-after quality in the record industry: meaning that the music could be popular with the affluent 25-year-old age group, as well as with impoverished teenagers.

For Deacon Blue, it has been a year of constant touring, with four or more concerts a week, to build up a following, and to sell the vital extra records which lift the singles up the charts and closer to the Radio One play list. Deacon Blue have had all the outward recognition of pop stars with, as yet, none of the financial rewards.

While the band waits anxiously to see whether its challenge for the pop jackpot will succeed, another group, which on the surface has already justified its ambitions, is experiencing some equally tense days in New York. Curiosity Killed The Cat's first album, released in April, went straight to Number One, a remarkable achievement.

Yet success in the UK is just the first step. The serious money is in the US, which accounts for 60 per cent of the commercial pop market. Curiosity Killed The Cat are currently touring in America, performing in showcase concerts in order to persuade the local radio stations to play their first single and first album, which have just been released there. So far, a hundred stations are featuring the single; when 250 play it, Peter Rosengard, Curiosity's manager, will start to relax.

Curiosity Killed The Cat must be the model for every aspirant band in the country. In February 1984, Mr Rosengard, an insurance salesman with Abbey Life, was in a wine bar in the King's Road, Chelsea, when he heard a tape in the background. He asked the barman what the song was called and was referred to four young men in a corner. They had recorded it in the inevitable back bedroom of a house around waiting for something to happen. Within five minutes Mr Rosengard was managing a pop band. He



named them after the title of the record and promised that if he did not get them a recording contract within a year there was no further commitment.

The lads were lucky. Mr Rosengard had connections. He persuaded two friends to come in on the venture. Within a year, £25,000 had been invested in the band.

Mr Rosengard failed the boys. He needed a few weeks extension before he got the contract. But by that time two companies, the major Phonogram and the small Independent China were both chasing Curiosity, having seen them at a well promoted concert for the record trade.

Being courted by two companies was the key to Curiosity's breakthrough. Rosengard got them a 15 per cent royalty, high for a first album, and managed to exclude the US rights from the deal. Following the band's success in the UK, he was able to negotiate a much better package with an American record company, although after tense discussions he has signed with Phonogram's counterpart, Polygram. As well as the royalty, Phonogram contributed by £100,000 to keep the band afloat, and has picked up

the bills for some expensive embellishments.

And the commitment was needed. When Curiosity released their first single, "Misfit," last summer, it fell at the first hurdle. It was not picked for BBC Radio One's play list. Since acceptance among the 40 records that the Radio One DJs play constantly is almost essential for chart success, such a setback was a great blow. Without the promotion "Misfit" crept up to Number 76 in the charts and then subsided. The second single, released last October, almost suffered the same fate. It took Mark Howell of Phonogram, whose job is to persuade the Radio One principals that his company's product is best, ten weeks to get the single on the BBC airwaves. After that Curiosity have scarcely paused for breath, and Mr Rosengard and his backers can enjoy their ride on the pop music roller-coaster. He still sells insurance.

Curiosity and Deacon Blue, and all those thousands of would-be British pop stars, share one advantage over like-minded youngsters in other countries. British pop retains its overriding reputation, created by the Beatles and reinforced by

the ubiquity of the English language. Last year British artists established nine number one singles in the US, and 40 of the 100 best-selling singles in Europe. If a band is signed by a record company in the UK its associate companies abroad take notice.

This makes Britain the powerhouse of the international pop music business. It explains why companies here are prepared to go to such extravagant lengths to create stars—paying up to £20,000 for a new band to accompany a major artist on tour, investing over £100,000 in advertising and promotional campaigns for musicians who have never performed in public and employing teams of pluggers to pester disc jockeys.

Most of the money is wasted, but the rewards can equal the gross national product of a nation. Michael Jackson is about to launch his new album, "Bad." His last major success, "Thriller," has sold 40m copies with a total turnover of around £300m. Mr Jackson, who has the highest royalty of any recording artist, will have banked almost £100m of this. It is such facts that keep the pop fantasy world spinning.

SUMMER is a hard time for the oyster growers of Brittany. As if it were not enough that sales of oysters die off because there is no "r" in the month, the summer also brings tourist cruises, speeding past the oysterbeds in the Gulf of Morbihan and washing away the delicate shellfish.

For the Breton oyster growers the problems of the summer months are just another in the catalogue of woes which have battered their industry. For fifteen years disease, water pollution and poor marketing have conspired to keep prices stagnant at FF8 to FF9 (80p to 90p) a kilogramme.

Consumers in Paris may grumble at the claim that prices are inadequate. They pay FF36 to FF38 a dozen, depending on size.

Oyster growers have been complaining about prices for generations, and the problem is not likely to go away. In 1958, according to a study by Mr Pierre Dalido, the mark-up on oysters in a Paris restaurant was 370 per cent over the price paid to the producer.

"You can live decently, but not comfortably, on 30 tonnes of sales a year. And with these prices, you certainly don't dream of fast cars or holidays in the Caribbean," says one oyster grower.

The growers' main problem is their product. Expensive for the consumer, hard to open, with a flavour that is not to everyone's taste, but they are famous for producing violent stomach disorders, marketing is clearly a problem.

"The oyster is not a product of the first necessity. Everyone is going to eat a potato sometime in their life, but they can very well get by without ever eating an oyster," says Mr Bernard Lorgeoux, president of the south Brittany oyster growers.

The difficulty for the consumer of even getting at the product is often underestimated by the professionals of the industry, Mr Lorgeoux believes. When faced with the choice of gashing their hands on an oyster shell or snipping open a cellophane packet of smoked salmon, only the more devoted gourmet plumps for oysters.



# The world, alas, is no longer your oyster's

By George Graham in Paris

"Not everyone can do it. If we found a miracle gadget we could sell 25 per cent more oysters overnight," he says.

The growers have sought help from hordes of kitchen equipment, and various mechanical and electric oyster knives have come onto the market. None have really worked.

Many professionals still find the most efficient tool is the Opine, the basic pocket-knife of millions of Frenchmen with its cherry-wood handle and ring to lock the blade in place.

The threat of a bad oyster also poses problems, although the French or the Belgians have nothing like the conviction of the British that every other oyster is bound to be off. In winter, the fear is reduced because of the cold weather. It is in any case the best time for selling oysters, and Christmas and New Year are the two sales peaks.

Supermarket chains are the dominant buyers in this season,

taking up to 40 per cent of output.

Increasingly, growers have started selling oysters in summer, meeting a demand from holidaymakers who want fresh seafood during their stay on the Brittany coast. Paris restaurants, too, sell to tourists in August, although the take-away trade of the street-corner oyster seller dies off almost completely.

But many connoisseurs find oysters less agreeable between May and August, since the months without an "r" are those in which they reproduce. The burden of eggs gives the oyster a milky flavour which is not always pleasant.

The oyster industry in Brittany began to take shape in its modern form in the 1850s and 1860s, under the Emperor Napoleon III. The idea was to cultivate the shellfish scientifically, rather than simply culling the natural beds.

There are now around 1,475 oyster growers in the region, with some 4,500m hectares of exploitable oyster beds. It is overwhelmingly a family industry.

Despite the advances of the past century, even today the growers do not control the entire life cycle of his product. He must capture seed oysters from millions laid in the wild—of which only a handful would reach maturity naturally—by attracting them to strategically placed tiles which take the place of the rocks they would normally settle on.

The seed oysters are then laid in special beds, protected from predators such as crabs and borer winkles, before final fattening and sale.

Britany oysters, usually named after the towns of Belon and regardless of their precise origin, are at the gastronomic pinnacle of the industry. Renowned for their delicate taste and texture, they are valued well above the highly fertile

Portuguese oyster grown further south at Arcachon and Marennes.

In the 1970s, however, disease struck the Brittany coast, wiping out 90 per cent of the stock of native oysters, or "plates."

Production dropped from a peak of 18,000 tonnes a year to only around 300 tonnes last season, the weakest for some time.

Government sponsored efforts to revive the "plate" have met with some success at Cancale, on the north Brittany coast. But in the main oyster-growing area of the Gulf of Morbihan, to the south, the martella and bonamia parasites continue to wreak havoc.

Efforts have been made to rebuild stocks with the Japanese "creuse," a coarser oyster which fetches only a third of the price of the "plate."

Production of the "creuse" averages 14,000 tonnes a year of "creuse" oysters, nearly an eighth of France's total production.

However, the "creuse" will not breed in the cold waters off Brittany, so Breton growers have to go south to buy or capture their seed oysters, increasing costs.

And as they are still regarded as relatively new in the "creuse" market, Breton oysters have difficulty competing against older-established centres like Marennes, further south in Charente. Over half of Brittany's total oyster production is now sent away for the final fattening and then sold under the Marennes label.

"Marketing is the big problem. We have to get the Breton oyster better known," comments Mr Herve Jenot, an oyster grower at Carnac Le Po.

The Breton oyster is not yet generally recognised for its superior quality. We have to put into place a strong commercial structure to sell our oysters with the Breton label," adds Mr Lorgeoux.

Best of all would be the discovery of a cure for the martella and bonamia parasites, allowing the "plate" to make a comeback. But oyster growers are not yet dreaming of that, any more than they are of the miracle oyster opener or the Caribbean holiday.

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## UK COMPANY NEWS

START OF DISPOSALS TO FUND INVESTMENT YIELDS £80m

## Asda sells bulk of fresh foods side

BY LISA WOOD

Asda-MFI, the British retail and food group, sold most of its Associated Fresh Foods (AFF) business for £80m cash.

A management buy-out team, supported by investors in the industry, has bought the dairy division for £65m. Van den Berghs, a subsidiary of Unilever, the Anglo-Dutch consumer products group, has paid £15m for the cheese-manufacturing division.

The sale is the first of three intended by Asda-MFI. Last month the group announced it was selling its Allied carpets and MFI furniture stores.

The group plans to use the disposal proceeds to help fund a £1bn investment programme into its Asda stores.

Mr David Granby, a director of Asda-MFI, said preliminary bids for MFI and Allied closed yesterday with a number of offers from both at home and overseas. It is understood that management buy-outs have been put forward from both MFI and Allied.

The management buy-out of the dairy division is headed by six executives from AFF who have a 10 per cent equity stake in the business.

Investors in the industry have provided the mezzanine debt and underwritten the equity element in conjunction with Prudential Venture Managers and SPHG Equity Ventures.

Standard Chartered Bank has underwritten the medium-term loan and working capital facilities. Both the equity and medium-term debt elements of the financing will be syndicated over the next few weeks. The purchase price includes repayment of £2m of inter-company loans.

The business, based in Leeds, is a major supplier of liquid milk and milk products in the north of England. In the year ended May 2 1987 it had a turnover of £12.4m and an operating profit of £2.1m. Net assets are valued at £3.2m.

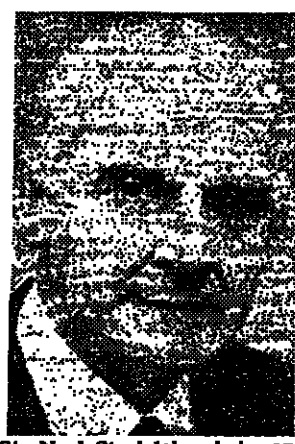
Mr Frank Blake, the new managing director, said: "We hope to bring this new company to the stock market in three

years after we have demonstrated growth as an independent company." He said movements in profits for the division as a whole — which fell in the year to May 1987 compared with the previous year — were attributable to adjustments in inter-company trading.

Mr Blake said he intended to develop the company's door-step milk deliveries, its added-value products and trade with other retailers.

Van den Berghs has bought the hard cheese manufacturing plant at West Marton. In the year to May 1987 it had a turnover of £23.5m and an operating profit of £1.6m. Van den Berghs, a margarine manufacturer, started importing soft cheeses into the UK this year from a Unilever subsidiary in Bavaria, West Germany.

Asda-MFI, advised in the disposal by County NatWest, has



Sir Noel Stockdale, chairman of Asda-MFI

retained Associated Fresh Foods' meat operations in west Yorkshire because virtually all its output goes to Asda stores. The assets sold accounted for about 80 per cent of AFF's £11.8m 1987 operating profit.

## Schroders takes legal action over PPL listing

By Clay Harris

SCHROEDERS, the merchant bank, has begun legal proceedings against accounting firm Deloitte Haskins & Sells over the listing particulars of PPL (Holdings), the computer software company which called in the receiver in January.

The action by Schroders alleges negligent misstatement by Deloitte and breach of warranty by Mr Roy Taylor, former PPL chairman, and Pictou Taylor Securities, a company controlled by Mr Taylor which is a major shareholder of PPL.

In a letter to PPL shareholders, Mr Robert Swannell, Schroders director, said: "The claims are based, inter alia, upon the allegation that sales were inaccurately included in PPL's profit-and-loss account for the year ended September 30, 1985."

Although Schroders filed the claim in the High Court as trustee for Legal & General and Provident Mutual, which own 165,000 shares in PPL, 290,000 PPL shares respectively, it said: "It is our intention in any settlement that may be forthcoming to serve the interests of all shareholders who may have a valid claim for damages."

Mr Matthew Faint, Deloitte technical director, yesterday confirmed that proceedings had been started. The firm had taken legal advice from counsel and independent accountants.

In a statement yesterday, Mr Faint said: "We do not accept that sales were incorrectly taken in the September 1985 accounts nor do we believe that the contents of either these accounts or the prospectus had any impact on the failure of the company. That arose from lack of sales and excessive expenditure in 1984."

"The contentious areas such as accounting for income and cash flow were fully discussed by the directors with the shareholders at the time of the flotation—Schroders acting as merchant bank in the flotation."

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**Angel walk sold**  
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The company is also predicting a good return on investment from the new Broadway centre, the principle shopping area of the north Edinburgh suburb. The centre was purchased for £7m from County and District Properties.

**Charterhall stake**  
CHARTERHALL, the Australian-controlled oil and investment company, has increased its stake in A. Goldberg & Sons, Glasgow-based retailer, from 5.18 per cent to 7.23 per cent.

**SUNLEIGH ELECTRONICS** has completed the acquisition of Powa Kaddy International for an initial consideration of £3.2m.

## Dewey Warren in £65m cash call to fund expansion

BY CLAY HARRIS

Dewey Warren Holdings, the Lloyd's insurance broker through which Mr Robert Holmes a Court holds nearly 5.2 per cent of Morgan Grenfell, yesterday launched a £64.6m rights issue to fund acquisitions and develop its financial services activities.

The USM-quoted company also agreed to pay £2m in shares for Nasco, parent of a reinsurance broker which will be merged with Dewey. It is unlikely, however, to pursue the recently demerged insurance interests of Hogg Robinson when a six-month bid freeze expires in February.

The heavy two-for-one rights issue had been signalled a month ago. It was priced yesterday at 25p, compared with the 28p at which shares were suspended on July 17. The shares are expected to resume trading on September 8.

Mr Philip Long, deputy chairman, said that Dewey was considering investments, either through equity stakes or full takeovers, in fund management and merchant banking as well as the purchase of further insurance interests.

The company said it planned to assemble a strong team of analysts and financial services employees.

Dewey had agreed to buy the Togg Robinson and Gardner fountain insurance agency for £11m as part of TSB's full £22.5m bid which was rejected last month when Hogg shareholders approved a demerger.

The Takeover Panel afterwards barred TSB or Dewey from reviving their bids for six months.

Subsequent developments in the Hogg group's management and structure, as well as pending litigation, have removed much of the attractions for Dewey.

Mr Holmes a Court's Bell Group will take up its rights and has partially underwritten the issue to take its stake back to 41.47 per cent from the 31 per cent to which it would fall as a result of the Nasco deal and the issue of 13m shares to the Kuwait Investment Office in return for 6.7m Grenfell shares. Dewey would receive a standard commission of 1.5 per cent on any shares it takes up through the underwriting. The rest of the issue has been underwritten by S. G. Warburg.

The KIO will hold nearly 25 per cent of Dewey's enlarged equity. Its shares are not eligible for the rights issue.

Dewey yesterday reported a 6 per cent fall in interim pre-tax profits from £269,000 to £259,000. Brokerage income of £242,000 was less than half the £3.71m level in the comparable six months. Once again, despite the interim dividend, the company has made no payment since the 1985 final.

Nasco lost £385,000 before tax on continuing activities in 1986, on brokerage income of £1.1m. Dewey forecast savings in overheads after costs of the merger had been absorbed.

## Shandwick makes £4.6m Far East acquisition

BY STEVEN BUTLER

SHANDWICK, public relations company, continues to build its rapidly-expanding global network with the acquisition of Gibson Public Relations, which operates in Singapore and Hong Kong, for a maximum of £4.6m.

There will be an initial payment of £800,000 cash with further profit-related payments equal to ten times after-tax earnings in the three years to 1991.

In 1986 Gibson showed pre-tax profits of £325,000 (£273,700) on a turnover of \$81.28m. In the seven months to the end of July pre-tax profits reached \$824,000 on revenue of \$875,000.

Mr Peter Gummer, Shandwick chairman, said that the low profits for the period to July reflected costs as the business was managed as a private company and were not reflective of the underlying business. He said Gibson's pre-tax profits in the year to the end of July 1988 were expected to be £130,000. The acquisition comes

less than a year after Shandwick's first overseas expansion in the US, and to its offices in New York, Washington, Maryland, Los Angeles, and Sydney.

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## Guinness Peat plan gets Panel approval

By Terry Povey

THE TAKEOVER Panel yesterday cleared Guinness Peat's plan to install a new management at its merchant banking arm Guinness Mahon.

However, the GP board still faces an injunction blocking this change from Equiticorp, the New Zealand finance and investment group which on Tuesday indicated that it might soon increase its stake in the UK company to over 30 per cent and therefore be obliged to make a full bid under City rules.

Equiticorp objects to the terms under which GP proposes to hire a 12-person team, mainly replacements for similar number of executives who abruptly resigned from the bank in the spring, to run Guinness Mahon.

It is understood that hiring terms, which have not been released, include a considerable performance-related profit-sharing scheme.

The New Zealand group commented yesterday that "payments of tens of millions are conceivable under this plan—it is even possible that all of Guinness Mahon's profits for the next five years will be paid out to this management team and this is a very serious matter for shareholders which they ought to be consulted on."

Equiticorp also said that its appeals to the courts and the Takeover Panel covered different aspects of this issue. "The injunction was sought solely to protect our commercial interests," said Mr Peter Taylor, its London-based executive, "as this deal devalues the value of our £100m investment in GP."

The application to the Panel was made on the grounds that the deal, agreed by GP's full board, contravenes the two-waiting Equiticorp members) on Tuesday, was a move to frustrate a possible bid. It is this application that the Takeover Panel is considering.

Equiticorp has new legislation, accepting GP's contention that the scheme was in place before there was any indication of a bid.

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## Ashcroft in US ready for talks with ADT

By Clay Harris

Mr Michael Ashcroft, chairman of Hawley Group, has gone to the US to be ready to enter talks with ADT, security services group.

Hawley launched a £635m (£400m) takeover offer earlier this week.

Hawley advisers said yesterday that lines of communication had been established between the two companies but had not yet been used.

ADT, which has kept a discreet silence on the approach apart from a brief statement of acknowledgement yesterday, refused to go even that far. "We're still in the studying stage," said Mr Ed Liddy, chief financial officer.

ADT shares have soared this week above Bermuda-registered Hawley's £47 cash offer. They were 74p higher at 951 1/2 in early trading yesterday. In London, Hawley shares closed 11p lower at 153 1/2p.

**Rothschild plans date for Anglo Leasing float**

By Nikki Tait

Mr Jacob Rothschild, chairman of investment company J. Rothschild Holdings, told shareholders at yesterday's annual meeting that the flotation of its Anglo Leasing subsidiary will probably go ahead in September.

"subject to market conditions."

Anglo Leasing was acquired in 1972, and is in J. Rothschild's books at £23.2m. Estimates have suggested that floating the company could see it valued at a major office-equipment leasing company in the UK, with the annual value of its equipment up to £44m and profits of £4.4m.

Shareholders yesterday renewed the company's powers to buy its own shares—up to 54.2m over the next 12 months at prices below 500p. To date, Rothschild has bought 117.5m shares, at an aggregate cost of £138.5m. In the 1986-87 financial year, the figures were 45.9m and £62.9m respectively.

**Ryan Hotels offer talks terminated**

By Fiona Thompson

Ryan Hotels, Irish hotel, tour and travel operator, said yesterday that talks begun earlier this month on a possible offer for the company had terminated.

The group, which has a string of hotels in Ireland including the Gresham in O'Connell Street, Dublin, announced on August 13 that it had received an approach that might lead to an offer.

It refused to give any further details then, and maintained the same position yesterday, refusing to comment on speculation concerning a takeover of the group, which runs the prestigious Shelbourne Hotel in Dublin.

Ryan reported pre-tax profits of £11.15m in the year to October 31, 1986, down from £12.52m. Market capitalisation is a little less than £23m.

**Ovoca Gold to raise £410,000**

Ovoca Gold Exploration, has decided to raise approximately £430,000 by a non-renounceable offer to shareholders of 1,231,887 new ordinary shares at 35p (Irish) each, on the basis of one new ordinary share for each three ordinary held. The issue is fully underwritten. The offer closes on September 11.

The directors have approved the offer to shareholders for the following reasons: to provide funds for the group's exploration, survey and mining activities in Ireland and Brazil; to enable the group to participate in the purchase of interest in new properties and possible joint ventures.

A major drilling programme will begin on the Morro Pelado gold prospect in Brazil next month. The company is encouraged by the results of its exploration activities to-date on this property.

**WILLIS FABER's offer for the rest of Stewart Wrightson has been accepted by holders of 34.96m Wrightson shares (78.71 per cent of the share capital). Faber now holds 37.01m shares (83.33 per cent). The offer is extended until 3 pm on Friday August 28 in order to receive required consent from the Pennsylvania insurance authorities in relation to Wrightson's Pennsylvania insurance company.**

**JOHN J. LEES chairman, Mr. Andrew Sim, yesterday told the annual meeting that the acquisition of Fullers of Greenock was**

proceeding satisfactorily. He said that sales at Lees were 14 per cent up on this time last year; at Heather Cameron they were up 23 per cent; at Tay Valley they were up 30 per cent; and a new factory had been purchased at Coatbridge.

**WHITTINGTON ENGINEERING is acquiring E. & J. Leek (Holdings) through its subsidiary J. W. Bousier for £300,000 cash. In 1986 Leek incurred pre-tax losses of £354,000. The vendors have warranted that at completion net assets will be £362,000.**

## Plessey sells peripherals arm

BY DAVID THOMAS

Plessey, the UK electronics group, is discussing the sale of its computer peripherals subsidiary with Distributed Logic Corporation (Dilog) of California.

Plessey has made it clear for some time that it did not regard its computer peripherals operations as a core part of its business.

The decision to sell fits into its strategy of concentrating on high technology activities in defence, telecommunications and

components. In June, it also put its connector business up for sale.

Plessey's peripherals business makes and markets enhancements to the Digital Equipment Corporation computer range.

It employs 322 people worldwide, 100 of which are on the UK. Its main locations are Irvine, California, Towcester, UK, and Toronto, Canada.

The business last year had sales of about \$50m. It has

been loss-making for some time in the quarter to the end of June, the results of which were reported on Thursday, computer peripherals lost £2.4m on sales of £8.5m.

Final agreement between Dilog and Plessey has not been reached. Dilog makes disc tapes and communication controllers for the computer industry: it had sales of \$10m in the first nine months of this fiscal year.

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## APPOINTMENTS CONTRACTS

## Chairman of NM UK Fuel for Falklands

Mr E. L. Stollie has been appointed chairman of NM UK, the holding company for NM UK, which is a subsidiary of NM UK. Mr E. L. Stollie remains on the board of NM UK.

James Beattie has been appointed regional managing director of the FIBIC EASTERN, Stansfeld, set up by The FIBIC Group, which is a subsidiary of NM UK. Mr Beattie is a former director of NM UK.

Mr Don Ure has been appointed managing director of the SALEX GROUP, which is a subsidiary of NM UK. Mr Ure is a former director of NM UK.

Mr Richard Yonah has been appointed regional managing director of the FIBIC EASTERN, Stansfeld, set up by The FIBIC Group, which is a subsidiary of NM UK. Mr Yonah is a former director of NM UK.

Mr David Edie has been appointed operations director. He was in sales management with a division of Wyeth Laboratories.

Mr Peter Bunn has been appointed executive director of the HADRIAN GROUP, which is a subsidiary of NM UK. Mr Bunn is a former director of NM UK.

and will also be devoting a certain amount of time to Solway Pension, an investment of SIPs which can administer pensions for any company, whether involved in shipbuilding or not. It is expected that he will be appointed to Hadrian's management board on October 1. Mr Bunn was group employee benefits manager with United Glass Holdings.

Mr Ronnie Blair has been appointed to the board of STANTON GROVE, a forest products warehousing and distribution company based in Birkenhead. Until his retirement in April, he was managing director of Abitibi-Price Sales Co., the sales company for Abitibi-Price Inc. of Canada, controlling US and European newspaper sales. He is now vice chairman of Abitibi-Price Sales Co.

Mr David Bowden, a manager and group controller of Charter Consolidated, has been appointed managing director of the SHAND GROUP. He has been a director of Shand since 1984. The Shand Group comprises principally the civil engineering and construction businesses of Shand based in Matlock, Biggs Wall & Co of Arlesey, Bedfordshire, the Morrison Group in Scotland, the quarrying interest of Penryn Granite in Cornwall and the Midlands.

A recently-formed Hogg Robinson joint venture company, STANLEY SERVICES, has been awarded a contract worth about £30m in revenue by the Falklands Islands Government to supply bunkers to vessels in the Falklands Conservation Zone. The contract is effective from the next fishing season. Stanley Services, based in Port Stanley, will also be responsible for the supply and distribution of all fuels for the islands, and will be involved in agency services and freight forwarding. Hogg Robinson owns 30 per cent of Stanley Services. S. & J. D. Robertson Group, a Scottish-based oil marketing and distribution company, and Stanley Fuels, a new company whose shareholders are the Falklands Islands Development Corporation and various fishing companies who are currently operating in the Falkland waters, own 25 per cent and 45 per cent respectively.

THOMAS RYDER AND SON, Derby, has won an order valued at £1.2m for two special in-line transfer machines from Rover to produce the oil holes in the new Rover "K" series engine crankshaft.

CHARLES BRAND, a subsidiary of Kier, has begun work on a £600,000 contract in the Inner Hebrides for the construction of a chamber to house the first shore-mounted wave energy device in the UK. Situated on a rocky gully on the Isle of Lays, the chamber will be constructed mainly from precast concrete sections up to 1 m thick. These units will subsequently be positioned together to form the rock of the gully, and connected with high strength in-situ reinforced concrete to enable the chamber to withstand the extreme wave forces on the exposed coastline. Waves entering the gully will

oscillate a column of water inside the chamber causing the air trapped above the water column to be inhaled and exhaled through a Wells turbine. Electrical power is generated by an alternator connected to the turbine. Following construction of the chamber, the wave forces and pneumatic performance will be monitored for about a year prior to the installation of a 200 kW Wells turbine. A 95 per cent Government grant has been made to Queen's University, Belfast, whose project team, led by Dr Trevor Whittaker, have been conducting wave energy research. When completed the Lays device should be capable of providing an average power of up to 40 kW.

MARCONI COMMUNICATIONS SYSTEMS has been awarded a contract worth £3.7m for two Telestar Standard A terminals to be installed at the Mercury Communications Satellite Earth Station at Whitehill, Oxfordshire. The terminals are to be installed and ready for service early in 1988 and will extend the services being provided by Mercury from this site. They will be used to communicate with the Far East and the US via the Indian Ocean and Atlantic Ocean satellites.

MATTHEW HALL ENGINEERING has been awarded a contract by Lindsey Oil Refinery in connection with a planned revamp and maintenance turnaround at its South Humberside Refinery. The value of the work is in the order of £10m. The contract covers design, procurement and construction management work on the refinery's catalytic cracker unit, gas concentration unit and No 2 sulphur plant. Lindsey Oil Refinery is a company jointly owned by Petrofina (UK) and Total Oil Great Britain.

## ECONOMIC DIARY

**TOMORROW:** Seventh international conference on gambling opens at Reno (until August 29).

**MONDAY:** British Association for the Advancement of Science conference opens at Belfast (until August 29). United Nations first world conference on disarmament and development opens in New York (until September 1).

**TUESDAY:** Interim reports from Hanson Trust; Hongkong & Shanghai Banking Corp. Japanese commercial banks meet again in Tokyo to discuss their response to BankAmerica's request that local banks join its capital-raising plan.

**WEDNESDAY:** New orders in construction industry placed in June published by the Department of the Environment. President Reagan to make televised foreign policy speech. EUC general council meets. Interim

reports from Northern Engineering Industries; Pearl Group. **THURSDAY:** Energy Trends for June published by Department of Energy. Department of Transport releases figures for new vehicle registrations in July. Interim reports from Anglo American Industrial Corp.; Ladbroke Group; Marley. British Gas annual meeting, NEC, Birmingham. Blue Arrow extraordinary meeting, London. Bundesbank council meeting, Frankfurt. **FRIDAY:** Department of Trade and Industry publishes engineering indices of production, sales and orders in June; second-quarter provisional figures for finished steel consumption and stock changes; second-quarter company liquidity survey. CBI Monthly Trends for July. International Green Party conference opens in Stockholm (until August 30).

## FT ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Friday August 21 1987										Thurs August 20					Wed August 19					Tues August 18					Year ago (approx.)					Highs and Lows Index				Since Completion																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
	Figures in parentheses show number of stocks per section										Est. Earning Yield (%)					Gross Div. Yield (%)					Est. P/E Ratio (Est.)					wd Int. Yield (%)					Index					Index					Index					Index					High				Low				High				Low																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change	52 Week High	52 Week Low	YTD Change	Index	Day's Change



















**ET UNIT TRUST INFORMATION SERVICE**

## AUTHORISED UNIT TRUSTS

**Abney Unit Tst. Mngt. (2)**  
50 Holdenhurst Rd, Bournemouth

[illegible]

## BASE LENDING RATES

[illegible]

TOTAL VOLUME IN CONTRACTS: 50,712

**A=Ask      B=Bid      C=Call      P=Put**

BPCC	55800	339	+4	Next	1,100	311	+
BTR	3,100	323	+12	Pearson	846	743	—
Bureau	2,300	549	+10	P & O	45300	649	+

[illegible]

Fishers	1,000	334	+2	Smith & Nephew	1,300	168	+3
Gen. Accident	307	944	-9	Standard Chart	730	810	+8
Gen. Elect	5,800	210	+2	Stratobeam	7,500	377	+3

Texas	1,000	334	+2	Smith & Nephew	1,300	616
Univ. Accident	307	944	-5	Standard Char	730	188
Univ. Elect	5,800	1,000	-1	Standard Char	7,400	377
Univ. Indus	779	1,175	-1	Sun Alliance	2,42	948
Global Investment	699	1794	+1	TSE	2,700	80
Granada	1,700	1,212	+34	TSE	2,700	273
Grasim Ltd	2,700	526	-97	Tesco	4,900	175
USAA Mt	112	1,125	-1	Ther EM	379	664
Guarantee R.E.	1,000	360	+6	Trafalgar House	712	370
Guinness	1,000	360	+6	Unicredit Forte	3,000	520
Hammerson	235	598	+7	Ultramar	1,300	272
Hampson	235	598	+7	Unipac	3,000	131
Lawler Sld	11,000	1,250	-1	United Discs	2,200	315
Lawler Sld	200	568	+20			

Woolworth	2,200	565	+1	Woolworth	781	337	-
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Agner	2,200	565	+1	Woodworth	761	337	—
Continued from page 13							
S.F.	(Thomson—C.S.F.)						
1227	352	1225.0					
International Harvester Gold 1284		\$42.96	1,300				
03.05							
International Petroleum Gold Mines 99	10	(18/8)					
International Pacific Gas 1064		(18/8)					
International Petroleum Corp 500		(18/8)					
International Resources 300	25	(18/8)					
International Resources Inc 504		(17/8)					
Interstate Aug. 5							
Mid-East Minerals ASL 138	(18/8)						
Midland Heavy Ind YG4,455	(18/8)						
Minnet Carington Mines ASL 325	(19/8)						
Monte Harris Gold Mines 524	(18/8)						
National Electronics (Consolidated) 74	(18/8)						
National-Netherlands CVA (F2.5)	523.4						
FIBD 80.05							
National Stone Can 511.56	(17/8)						
Noble Hawk Resources 50	(19/8)						
Norfolk Industries 500	(18/8)						
Oil Search 544.56	50. Bx 2	4	ASL 51.5				
Oilfield Investments 304							
Oilfield Services, Houston Can 550.35	(19/8)						

ons. Exploration 190	8)
adcol Chemical Indust. Y828.51	Parabola Mining R374 (17/8)
ainippon Screen Manufacturing Y1,070	Pancanadian Petroleum E153 (19/8)

[illegible]

Widen Valley Mines A50.9 0.95 (14/8)  
Wants Patch Mining 27  
Wendover, Tin 17 (18/8)  
Weyerhaeuser \$51.40  
Setangor Propts. S\$1.791 (19/8)  
Service Cpa Int. £17.40 (19/8)  
Sierrames 1 and 2424 S\$8.358 (19/8)

[illegible]

Swire Pacific "B" \$HK4.2

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**FT UNIT TRUST INFORMATION SERVICE**

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**LONDON SHARE SERVICE**

BRITISH FUNDS										BRITISH FUNDS									
1987		Stock	Price	1st	Yield	1987		Stock	Price	1st	Yield	1987		Stock	Price	1st	Yield	1987	
High	Low					High	Low					High	Low					High	Low
<b>"Short" (Lives up to Five Years)</b>																			
103	104	97 British 1987-1992	22	7.21	10.04	103	104	97 British 1987-1992	22	7.21	10.04	103	104	97 British 1987-1992	22	7.21	10.04	103	104
97	98	British 1987-1992	22	7.21	10.04	97	98	British 1987-1992	22	7.21	10.04	97	98	British 1987-1992	22	7.21	10.04	97	98
98	99	British 1987-1992	22	7.21	10.04	98	99	British 1987-1992	22	7.21	10.04	98	99	British 1987-1992	22	7.21	10.04	98	99
99	100	British 1987-1992	22	7.21	10.04	99	100	British 1987-1992	22	7.21	10.04	99	100	British 1987-1992	22	7.21	10.04	99	100
100	101	British 1987-1992	22	7.21	10.04	100	101	British 1987-1992	22	7.21	10.04	100	101	British 1987-1992	22	7.21	10.04	100	101
101	102	British 1987-1992	22	7.21	10.04	101	102	British 1987-1992	22	7.21	10.04	101	102	British 1987-1992	22	7.21	10.04	101	102
102	103	British 1987-1992	22	7.21	10.04	102	103	British 1987-1992	22	7.21	10.04	102	103	British 1987-1992	22	7.21	10.04	102	103
103	104	British 1987-1992	22	7.21	10.04	103	104	British 1987-1992	22	7.21	10.04	103	104	British 1987-1992	22	7.21	10.04	103	104
104	105	British 1987-1992	22	7.21	10.04	104	105	British 1987-1992	22	7.21	10.04	104	105	British 1987-1992	22	7.21	10.04	104	105
105	106	British 1987-1992	22	7.21	10.04	105	106	British 1987-1992	22	7.21	10.04	105	106	British 1987-1992	22	7.21	10.04	105	106
106	107	British 1987-1992	22	7.21	10.04	106	107	British 1987-1992	22	7.21	10.04	106	107	British 1987-1992	22	7.21	10.04	106	107
107	108	British 1987-1992	22	7.21	10.04	107	108	British 1987-1992	22	7.21	10.04	107	108	British 1987-1992	22	7.21	10.04	107	108
108	109	British 1987-1992	22	7.21	10.04	108	109	British 1987-1992	22	7.21	10.04	108	109	British 1987-1992	22	7.21	10.04	108	109
109	110	British 1987-1992	22	7.21	10.04	109	110	British 1987-1992	22	7.21	10.04	109	110	British 1987-1992	22	7.21	10.04	109	110
110	111	British 1987-1992	22	7.21	10.04	110	111	British 1987-1992	22	7.21	10.04	110	111	British 1987-1992	22	7.21	10.04	110	111
111	112	British 1987-1992	22	7.21	10.04	111	112	British 1987-1992	22	7.21	10.04	111	112	British 1987-1992	22	7.21	10.04	111	112
112	113	British 1987-1992	22	7.21	10.04	112	113	British 1987-1992	22	7.21	10.04	112	113	British 1987-1992	22	7.21	10.04	112	113
113	114	British 1987-1992	22	7.21	10.04	113	114	British 1987-1992	22	7.21	10.04	113	114	British 1987-1992	22	7.21	10.04	113	114
114	115	British 1987-1992	22	7.21	10.04	114	115	British 1987-1992	22	7.21	10.04	114	115	British 1987-1992	22	7.21	10.04	114	115
115	116	British 1987-1992	22	7.21	10.04	115	116	British 1987-1992	22	7.21	10.04	115	116	British 1987-1992	22	7.21	10.04	115	116
116	117	British 1987-1992	22	7.21	10.04	116	117	British 1987-1992	22	7.21	10.04	116	117	British 1987-1992	22	7.21	10.04	116	117
117	118	British 1987-1992	22	7.21	10.04	117	118	British 1987-1992	22	7.21	10.04	117	118	British 1987-1992	22	7.21	10.04	117	118
118	119	British 1987-1992	22	7.21	10.04	118	119	British 1987-1992	22	7.21	10.04	118	119	British 1987-1992	22	7.21	10.04	118	119
119	120	British 1987-1992	22	7.21	10.04	119	120	British 1987-1992	22	7.21	10.04	119	120	British 1987-1992	22	7.21	10.04	119	120
120	121	British 1987-1992	22	7.21	10.04	120	121	British 1987-1992	22	7.21	10.04	120	121	British 1987-1992	22	7.21	10.04	120	121
121	122	British 1987-1992	22	7.21	10.04	121	122	British 1987-1992	22	7.21	10.04	121	122	British 1987-1992	22	7.21	10.04	121	122
122	123	British 1987-1992	22	7.21	10.04	122	123	British 1987-1992	22	7.21	10.04	122	123	British 1987-1992	22	7.21	10.04	122	123
123	124	British 1987-1992	22	7.21	10.04	123	124	British 1987-1992	22	7.21	10.04	123	124	British 1987-1992	22	7.21	10.04	123	124
124	125	British 1987-1992	22	7.21	10.04	124	125	British 1987-1992	22	7.21	10.04	124	125	British 1987-1992	22	7.21	10.04	124	125
125	126	British 1987-1992	22	7.21	10.04	125	126	British 1987-1992	22	7.21	10.04	125	126	British 1987-1992	22	7.21	10.04	125	126
126	127	British 1987-1992	22	7.21	10.04	126	127	British 1987-1992	22	7.21	10.04	126	127	British 1987-1992	22	7.21	10.04	126	127
127	128	British 1987-1992	22	7.21	10.04	127	128	British 1987-1992	22	7.21	10.04	127	128	British 1987-1992	22	7.21	10.04	127	128
128	129	British 1987-1992	22	7.21	10.04	128	129	British 1987-1992	22	7.21	10.04	128	129	British 1987-1992	22	7.21	10.04	128	129
129	130	British 1987-1992	22	7.21	10.04	129	130	British 1987-1992	22	7.21	10.04	129	130	British 1987-1992	22	7.21	10.04	129	130
130	131	British 1987-1992	22	7.21	10.04	130	131	British 1987-1992	22	7.21	10.04	130	131	British 1987-1992	22	7.21	10.04	130	131
131	132	British 1987-1992	22	7.21	10.04	131	132	British 1987-1992	22	7.21	10.04	131	132	British 1987-1992	22	7.21	10.04	131	132
132	133	British 1987-1992	22	7.21	10.04	132	133	British 1987-1992	22	7.21	10.04	132	133	British 1987-1992	22	7.21	10.04	132	133
133	134	British 1987-1992	22	7.21	10.04	133	134	British 1987-1992	22	7.21	10.04	133	134	British 1987-1992	22	7.21	10.04	133	134
134	135	British 1987-1992	22	7.21	10.04	134	135	British 1987-1992	22	7.21	10.04	134	135	British 1987-1992	22	7.21	10.04	134	135
135	136	British 1987-1992	22	7.21	10.04	135	136	British 1987-1992	22	7.21	10.04	135	136	British 1987-1992	22	7.21	10.04	135	136
136	137	British 1987-1992	22	7.21	10.04	136	137	British 1987-1992	22	7.21	10.04	136	137	British 1987-1992	22	7.21	10.04	136	137
137	138	British 1987-1992	22	7.21	10.04	137	138	British 1987-1992	22	7.21	10.04	137	138	British 1987-1992	22	7.21	10.04	137	138
138	139	British 1987-1992	22	7.21	10.04	138	139	British 1987-1992	22	7.21	10.04	138	139	British 1987-1992	22	7.21	10.04	138	139
139	140	British 1987-1992	22	7.21	10.04	139	140	British 1987-1992	22	7.21	10.04	139	140	British 1987-1992	22	7.21	10.04	139	140
140	141	British 1987-1992	22	7.21	10.04	140	141	British 1987-1992	22	7.21	10.04	140	141	British 1987-1992	22	7.21	10.04	140	141
141	142	British 1987-1992	22	7.21	10.04	141	142	British 1987-1992	22	7.21	10.04	141	142	British 1987-1992	22	7.21	10.04	141	142
142	143	British 1987-1992	22	7.21	10.04	142	143	British 1987-1992	22	7.21	10.04	142	143	British 1987-1992	22	7.21	10.04	142	143
143	144	British 1987-1992	22	7.21	10.04	143	144	British 1987-1992	22	7.21	10.04	143	144	British 1987-1992	22	7.21	10.04	143	144
144	145	British 1987-1992	22	7.21	10.04	144	145	British 1987-1992	22	7.21	10.04	144	145	British 1987-1992	22	7.21	10.04	144	145
145	146	British 1987-1992	22	7.21	10.04	145	146	British 1987-1992	22	7.21	10.04	145	146	British 1987-1992	22	7.21	10.04	145	146
146	147	British 1987-1992	22	7.21	10.04	146	147	British 1987-1992	22	7.21	10.04	146	147	British 1987-1992	22	7.21	10.04	146	147
147	148	British 1987-1992	22	7.21	10.04	147	148	British 1987-1992	22	7.21	10.04	147	148	British 1987-1992	22	7.21	10.04	147	148
148	149	British 1987-1992	22	7.21	10.04	148	149	British 1987-1992	22	7.21	10.04	148	149	British 1987-1992	22	7.21	10.04	148	149
149	150	British 1987-1992	22	7.21	10.04	149	150	British 1987-1992	22	7.21	10.04	149	150	British 1987-1992	22	7.21	10.04	149	150
150	151	British 1987-1992	22	7.21	10.04	150	151	British 1987-1992	22	7.21	10.04	150	151	British 1987-1992	22	7.21	10.04	150	151
151	152	British 1987-1992	22	7.21	10.04	151	152	British 1987-1992	22	7.21	10.04	151	152	British 1987-1992	22	7.21	10.04	151	152
152	153	British 1987-1992	22	7.21	10.04	152	153	British 1987-1992	22	7.21	10.04	152	153	British 1987-1992	22	7.21	10.04	152	153
153	154	British 1987-1992	22	7.21	10.04	153	154	British 1987-1992	22	7.21	10.04	153	154	British 1987-1992	22	7.21	10.04	153	154
154	155	British 1987-1992	22	7.21	10.04	154	155	British 1987-1992	22	7.21	10.04	154	155	British 1987-1992	22	7.21	10.04	154	155
155	156	British 1987-1992	22	7.21	10.04	155	156	British 1987-1992	22	7.21	10.04	155	156	British 1987-1992	22	7.21	10.04	155	156
156	157	British 1987-1992	22	7.21	10.04	156	157	British 1987-1992	22	7.21	10.04	156	157	British 1987-1992	22	7.21	10.04	156	157
157	158	British 1987-1992	22	7.21	10.04	157	158	British 1987-1992	22	7.21	10.04	157	158	British 1987-1992	22	7.21	10.04	157	158
158	159	British 1987-1992	22	7.21	10.04	158													

FUND FUNDS—Contd										FOREIGN BONDS & RAILS									
Stock	Price	±	Yld.	Int.	Yld.	High	Low	Stock	Price	±	Yld.	Int.	Yld.	High	Low	Stock	Price	±	Yld.
Index-Linked										AMERICANS									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
36	131.1	+	2.25					42	32.40	+	5.00					43	35.00	+	5.00
37	131.1	+	2.25					43	35.00	+	5.00					44	35.00	+	5.00
38	131.1	+	2.25					44	35.00	+	5.00					45	35.00	+	5.00
39	131.1	+	2.25					45	35.00	+	5.00					46	35.00	+	5.00
40	131.1	+	2.25					46	35.00	+	5.00					47	35.00	+	5.00
41	131.1	+	2.25					47	35.00	+	5.00					48	35.00	+	5.00
42	131.1	+	2.25					48	35.00	+	5.00					49	35.00	+	5.00
43	131.1	+	2.25					49	35.00	+	5.00					50	35.00	+	5.00
44	131.1	+	2.25					50	35.00	+	5.00					51	35.00	+	5.00
45	131.1	+	2.25					51	35.00	+	5.00					52	35.00	+	5.00
46	131.1	+	2.25					52	35.00	+	5.00					53	35.00	+	5.00
47	131.1	+	2.25					53	35.00	+	5.00					54	35.00	+	5.00
48	131.1	+	2.25					54	35.00	+	5.00					55	35.00	+	5.00
49	131.1	+	2.25					55	35.00	+	5.00					56	35.00	+	5.00
50	131.1	+	2.25					56	35.00	+	5.00					57	35.00	+	5.00
51	131.1	+	2.25					57	35.00	+	5.00					58	35.00	+	5.00
52	131.1	+	2.25					58	35.00	+	5.00					59	35.00	+	5.00
53	131.1	+	2.25					59	35.00	+	5.00					60	35.00	+	5.00
54	131.1	+	2.25					60	35.00	+	5.00					61	35.00	+	5.00
55	131.1	+	2.25					61	35.00	+	5.00					62	35.00	+	5.00
56	131.1	+	2.25					62	35.00	+	5.00					63	35.00	+	5.00
57	131.1	+	2.25					63	35.00	+	5.00					64	35.00	+	5.00
58	131.1	+	2.25					64	35.00	+	5.00					65	35.00	+	5.00
59	131.1	+	2.25					65	35.00	+	5.00					66	35.00	+	5.00
60	131.1	+	2.25					66	35.00	+	5.00					67	35.00	+	5.00
61	131.1	+	2.25					67	35.00	+	5.00					68	35.00	+	5.00
62	131.1	+	2.25					68	35.00	+	5.00					69	35.00	+	5.00
63	131.1	+	2.25					69	35.00	+	5.00					70	35.00	+	5.00
64	131.1	+	2.25					70	35.00	+	5.00					71	35.00	+	5.00
65	131.1	+	2.25					71	35.00	+	5.00					72	35.00	+	5.00
66	131.1	+	2.25					72	35.00	+	5.00					73	35.00	+	5.00
67	131.1	+	2.25					73	35.00	+	5.00					74	35.00	+	5.00
68	131.1	+	2.25					74	35.00	+	5.00					75	35.00	+	5.00
69	131.1	+	2.25					75	35.00	+	5.00					76	35.00	+	5.00
70	131.1	+	2.25					76	35.00	+	5.00					77	35.00	+	5.00
71	131.1	+	2.25					77	35.00	+	5.00					78	35.00	+	5.00
72	131.1	+	2.25					78	35.00	+	5.00					79	35.00	+	5.00
73	131.1	+	2.25					79	35.00	+	5.00					80	35.00	+	5.00
74	131.1	+	2.25					80	35.00	+	5.00					81	35.00	+	5.00
75	131.1	+	2.25					81	35.00	+	5.00					82	35.00	+	5.00
76	131.1	+	2.25					82	35.00	+	5.00					83	35.00	+	5.00
77	131.1	+	2.25					83	35.00	+	5.00					84	35.00	+	5.00
78	131.1	+	2.25					84	35.00	+	5.00					85	35.00	+	5.00
79	131.1	+	2.25					85	35.00	+	5.00					86	35.00	+	5.00
80	131.1	+	2.25					86	35.00	+	5.00					87	35.00	+	5.00
81	131.1	+	2.25					87	35.00	+	5.00					88	35.00	+	5.00
82	131.1	+	2.25					88	35.00	+	5.00					89	35.00	+	5.00
83	131.1	+	2.25					89	35.00	+	5.00					90	35.00	+	5.00
84	131.1	+	2.25					90	35.00	+	5.00					91	35.00	+	5.00
85	131.1	+	2.25					91	35.00	+	5.00					92	35.00	+	5.00
86	131.1	+	2.25					92	35.00	+	5.00					93	35.00	+	5.00
87	131.1	+	2.25					93	35.00	+	5.00					94	35.00	+	5.00
88	131.1	+	2.25					94	35.00	+	5.00					95	35.00	+	5.00
89	131.1	+	2.25					95	35.00	+	5.00					96	35.00	+	5.00
90	131.1	+	2.25					96	35.00	+	5.00					97	35.00	+	5.00
91	131.1	+	2.25					97	35.00	+	5.00					98	35.00	+	5.00
92	131.1	+	2.25					98	35.00	+	5.00					99	35.00	+	5.00
93	131.1	+	2.25					99	35.00	+	5.00					100	35.00	+	5.00
94	131.1	+	2.25					100	35.00	+	5.00					101	35.00	+	5.00
95	131.1	+	2.25					101	35.00	+	5.00					102	35.00	+	5.00
96	131.1	+	2.25					102	35.00	+	5.00					103	35.00	+	5.00
97	131.1	+	2.25					103	35.00	+	5.00					104	35.00	+	5.00
98	131.1	+	2.25					104	35.00	+	5.00					105	35.00	+	5.00
99	131.1	+	2.25					105	35.00	+	5.00					106	35.00	+	5.00
100	131.1	+	2.25					106	35.00	+	5.00					107	35.00	+	5.00
101	131.1	+	2.25					107	35.00	+	5.00					108	35.00	+	5.00
102	131.1	+	2.25					108	35.00	+	5.00					109	35.00	+	5.00
103	131.1	+	2.25					109	35.00	+	5.00					110	35.00	+	5.00
104	131.1	+	2.25					110	35.00	+	5.00					111	35.00	+	5.00
105	131.1	+	2.25					111	35.00	+	5.00					112	35.00	+	5.00
106	131.1	+	2.25					112	35.00	+	5.00					113	35.00	+	5.00
107	131.1	+	2.25					113	35.00	+	5.00					114	35.00	+	5.00
108	131.1	+	2.25					114	35.00	+	5.00					115	35.00	+	5.00
109	131.1	+	2.25					115	35.00	+	5.00					116	35.00	+	5.00
110	131.1	+	2.25					116	35.00	+	5.00					117	35.00	+	5.00
111	131.1	+	2.25					117	35.00	+	5.00					118	35.00	+	5.00
112	131.1	+	2.25					118	35.00	+	5.00					119	35.00	+	5.00
113	131.1	+	2.25					119	35.00	+	5.00					120	35.00	+	5.00
114	131.1	+	2.25					120	35.00	+	5.00					121	35.00	+	5.00
115	131.1	+	2.25					121	35.00	+	5.00					122	35.00	+	5.00
116	131.1	+	2.25					122	35.00	+	5.00					123	35.00	+	5.00
117	131.1	+	2.25					123	35.00	+	5.00					124	35.00	+	5.00
118	131.1	+	2.25					124	35.00	+	5.00					125	35.00	+	5.00
119	131.1	+	2.25					125	35.00	+	5.00					126	35.00	+	5.00
120	131.1	+	2.25					126	35.00	+	5.00					127	35.00	+	5.00
121	131.1	+	2.25					127	35.00	+	5.00					128	35.00	+	5.00
122	131.1	+	2.25					128	35.00	+	5.00					129	35.00	+	5.00
123	131.1	+	2.25					129	35.00	+	5.00					130	35.00	+	5.00
124	131.1	+	2.25					130	35.00	+	5.00					131	35.00	+	5.00
125	131.1	+	2.25					131	35.00	+	5.00					132	35.00	+	5.00
126	131.1	+	2.25					132	35.00	+	5.00					133	35.00	+	5.00
127	131.1	+	2.25					133	35.00	+	5.00					134	35.00	+	5.00
128	131.1	+	2.25					134	35.0										







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### TABLE 2. Continued

MINES - Continued									
2007		Stock	Price	Div Yld	Div Pct	Div Rate	Div Date	Div Yld	Div Pct
45	12	Wells Pacific Ltd.	38	1.0	2.6	1.00	12/15	2.6	6.8
45	22	Winnebago Gold 20c.	23	1.2	5.2	1.20	12/15	5.2	13.0
45	26	WMO, Inc.	38	1.0	2.6	1.00	12/15	2.6	6.8
45	30	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
116	35	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	37	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	38	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	39	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	40	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	41	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	42	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	43	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	44	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	45	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	46	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	47	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	48	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	49	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	50	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	51	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	52	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	53	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	54	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	55	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	56	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	57	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	58	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	59	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	60	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	61	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	62	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	63	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	64	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	65	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	66	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	67	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	68	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	69	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8
162	70	W. M. W. W. W.	38	1.0	2.6	1.00	12/15	2.6	6.8

[illegible]

		Tms			
125	93	Apex Motors SM1	136	+0.2	0.7
135	30	Apex Motors SM2	147	+0.2	0.7
145	30	Apex Motors SM3	80		1.0
155	30	Apex Motors SM4	127	+0.2	0.7
165	30	Apex Motors SM5	127	+0.2	0.7
175	30	Apex Motors SM6	127	+0.2	0.7
185	30	Apex Motors SM7	127	+0.2	0.7
195	30	Apex Motors SM8	127	+0.2	0.7
205	30	Apex Motors SM9	127	+0.2	0.7
215	30	Apex Motors SM10	127	+0.2	0.7
225	30	Apex Motors SM11	127	+0.2	0.7
235	30	Apex Motors SM12	127	+0.2	0.7
245	30	Apex Motors SM13	127	+0.2	0.7
255	30	Apex Motors SM14	127	+0.2	0.7
265	30	Apex Motors SM15	127	+0.2	0.7
275	30	Apex Motors SM16	127	+0.2	0.7
285	30	Apex Motors SM17	127	+0.2	0.7
295	30	Apex Motors SM18	127	+0.2	0.7
305	30	Apex Motors SM19	127	+0.2	0.7
315	30	Apex Motors SM20	127	+0.2	0.7
325	30	Apex Motors SM21	127	+0.2	0.7
335	30	Apex Motors SM22	127	+0.2	0.7
345	30	Apex Motors SM23	127	+0.2	0.7
355	30	Apex Motors SM24	127	+0.2	0.7
365	30	Apex Motors SM25	127	+0.2	0.7
375	30	Apex Motors SM26	127	+0.2	0.7
385	30	Apex Motors SM27	127	+0.2	0.7
395	30	Apex Motors SM28	127	+0.2	0.7
405	30	Apex Motors SM29	127	+0.2	0.7
415	30	Apex Motors SM30	127	+0.2	0.7
425	30	Apex Motors SM31	127	+0.2	0.7
435	30	Apex Motors SM32	127	+0.2	0.7
445	30	Apex Motors SM33	127	+0.2	0.7
455	30	Apex Motors SM34	127	+0.2	0.7
465	30	Apex Motors SM35	127	+0.2	0.7
475	30	Apex Motors SM36	127	+0.2	0.7
485	30	Apex Motors SM37	127	+0.2	0.7
495	30	Apex Motors SM38	127	+0.2	0.7
505	30	Apex Motors SM39	127	+0.2	0.7
515	30	Apex Motors SM40	127	+0.2	0.7
525	30	Apex Motors SM41	127	+0.2	0.7
535	30	Apex Motors SM42	127	+0.2	0.7
545	30	Apex Motors SM43	127	+0.2	0.7
555	30	Apex Motors SM44	127	+0.2	0.7
565	30	Apex Motors SM45	127	+0.2	0.7
575	30	Apex Motors SM46	127	+0.2	0.7
585	30	Apex Motors SM47	127	+0.2	0.7
595	30	Apex Motors SM48	127	+0.2	0.7
605	30	Apex Motors SM49	127	+0.2	0.7
615	30	Apex Motors SM50	127	+0.2	0.7
625	30	Apex Motors SM51	127	+0.2	0.7
635	30	Apex Motors SM52	127	+0.2	0.7
645	30	Apex Motors SM53	127	+0.2	0.7
655	30	Apex Motors SM54	127	+0.2	0.7
665	30	Apex Motors SM55	127	+0.2	0.7
675	30	Apex Motors SM56	127	+0.2	0.7
685	30	Apex Motors SM57	127	+0.2	0.7
695	30	Apex Motors SM58	127	+0.2	0.7
705	30	Apex Motors SM59	127	+0.2	0.7
715	30	Apex Motors SM60	127	+0.2	0.7
725	30	Apex Motors SM61	127	+0.2	0.7
735	30	Apex Motors SM62	127	+0.2	0.7
745	30	Apex Motors SM63	127	+0.2	0.7
755	30	Apex Motors SM64	127	+0.2	0.7
765	30	Apex Motors SM65	127	+0.2	0.7
775	30	Apex Motors SM66	127	+0.2	0.7
785	30	Apex Motors SM67	127	+0.2	0.7
795	30	Apex Motors SM68	127	+0.2	0.7
805	30	Apex Motors SM69	127	+0.2	0.7
815	30	Apex Motors SM70	127	+0.2	0.7
825	30	Apex Motors SM71	127	+0.2	0.7
835	30	Apex Motors SM72	127	+0.2	0.7
845	30	Apex Motors SM73	127	+0.2	0.7
855	30	Apex Motors SM74	127	+0.2	0.7
865	30	Apex Motors SM75	127	+0.2	0.7
875	30	Apex Motors SM76	127	+0.2	0.7
885	30	Apex Motors SM77	127	+0.2	0.7
895	30	Apex Motors SM78	127	+0.2	0.7
905	30	Apex Motors SM79	127	+0.2	0.7
915	30	Apex Motors SM80	127	+0.2	0.7
925	30	Apex Motors SM81	127	+0.2	0.7
935	30	Apex Motors SM82	127	+0.2	0.7
945	30	Apex Motors SM83	127	+0.2	0.7
955	30	Apex Motors SM84	127	+0.2	0.7
965	30	Apex Motors SM85	127	+0.2	0.7
975	30	Apex Motors SM86	127	+0.2	0.7
985	30	Apex Motors SM87	127	+0.2	0.7
995	30	Apex Motors SM88	127	+0.2	0.7
1005	30	Apex Motors SM89	127	+0.2	0.7
1015	30	Apex Motors SM90	127	+0.2	0.7
1025	30	Apex Motors SM91	127	+0.2	0.7
1035	30	Apex Motors SM92	127	+0.2	0.7
1045	30	Apex Motors SM93	127	+0.2	0.7
1055	30	Apex Motors SM94	127	+0.2	0.7
1065	30	Apex Motors SM95	127	+0.2	0.7
1075	30	Apex Motors SM96	127	+0.2	0.7
1085	30	Apex Motors SM97	127	+0.2	0.7
1095	30	Apex Motors SM98	127	+0.2	0.7
1105	30	Apex Motors SM99	127	+0.2	0.7
1115	30	Apex Motors SM100	127	+0.2	0.7
1125	30	Apex Motors SM101	127	+0.2	0.7
1135	30	Apex Motors SM102	127	+0.2	0.7
1145	30	Apex Motors SM103	127	+0.2	0.7
1155	30	Apex Motors SM104	127	+0.2	0.7
1165	30	Apex Motors SM105	127	+0.2	0.7
1175	30	Apex Motors SM106	127	+0.2	0.7
1185	30	Apex Motors SM107	127	+0.2	0.7
1195	30	Apex Motors SM108	127	+0.2	0.7
1205	30	Apex Motors SM109	127	+0.2	0.7
1215	30	Apex Motors SM110	127	+0.2	0.7
1225	30	Apex Motors SM111	127	+0.2	0.7
1235	30	Apex Motors SM112	127	+0.2	0.7
1245	30	Apex Motors SM113	127	+0.2	0.7
1255	30	Apex Motors SM114	127	+0.2	0.7
1265	30	Apex Motors SM115	127	+0.2	0.7
1275	30	Apex Motors SM116	127	+0.2	0.7
1285	30	Apex Motors SM117	127	+0.2	0.7
1295	30	Apex Motors SM118	127	+0.2	0.7
1305	30	Apex Motors SM119	127	+0.2	0.7
1315	30	Apex Motors SM120	127	+0.2	0.7
1325	30	Apex Motors SM121	127	+0.2	0.7
1335	30	Apex Motors SM122	127	+0.2	0.7
1345	30	Apex Motors SM123	127	+0.2	0.7
1355	30	Apex Motors SM124	127	+0.2	0.7
1365	30	Apex Motors SM125	127	+0.2	0.7
1375	30	Apex Motors SM126	127	+0.2	0.7
1385	30	Apex Motors SM127	127	+0.2	0.7
1395	30	Apex Motors SM128	127	+0.2	0.7
1405	30	Apex Motors SM129	127	+0.2	0.7
1415	30	Apex Motors SM130	127	+0.2	0.7
1425	30	Apex Motors SM131	127	+0.2	0.7
1435	30	Apex Motors SM132	127	+0.2	0.7
1445	30	Apex Motors SM133	127	+0.2	0.7
1455	30	Apex Motors SM134	127	+0.2	0.7
1465	30	Apex Motors SM135	127	+0.2	0.7
1475	30	Apex Motors SM136	127	+0.2	0.7
1485	30	Apex Motors SM137	127	+0.2	0.7
1495	30	Apex Motors SM138	127	+0.2	0.7
1505	30	Apex Motors SM139	127	+0.2	0.7
1515	30	Apex Motors SM140	127	+0.2	0.7
1525	30	Apex Motors SM141	127	+0.2	0.7
1535	30	Apex Motors SM142	127	+0.2	0.7
1545	30	Apex Motors SM143	127	+0.2	0.7
1555	30	Apex Motors SM144	127	+0.2	0.7
1565	30	Apex Motors SM145	127	+0.2	0.7
1575	30	Apex Motors SM146	127	+0.2	0.7
1585	30	Apex Motors SM147	127	+0.2	0.7
1595	30	Apex Motors SM148	127	+0.2	0.7
1605	30	Apex Motors SM149	127	+0.2	0.7
1615	30	Apex Motors SM150	127	+0.2	0.7
1625	30	Apex Motors SM151	127	+0.2	0.7
1635	30	Apex Motors SM152	127	+0.2	0.7
1645	30	Apex Motors SM153	127	+0.2	0.7
1655	30	Apex Motors SM154	127	+0.2	0.7
1665	30	Apex Motors SM155	127	+0.2	0.7
1675	30	Apex Motors SM156	127	+0.2	0.7
1685	30	Apex Motors SM157	127	+0.2	0.7
1695	30	Apex Motors SM158	127	+0.2	0.7
1705	30	Apex Motors SM159	127	+0.2	0.7
1715	30	Apex Motors SM160	127	+0.2	0.7
1725	30	Apex Motors SM161	127	+0.2	0.7
1735	30	Apex Motors SM162	127	+0.2	0.7
1745	30	Apex Motors SM163	127	+0.2	0.7
1755	30	Apex Motors SM164	127	+0.2	0.7
1765	30	Apex Motors SM165	127	+0.2	0.7
1775	30	Apex Motors SM166	127	+0.2	0.7
1785	30	Apex Motors SM167	127	+0.2	0.7
1795	30	Apex Motors SM168	127	+0.2	0.7
1805	30	Apex Motors SM169	127	+0.2	0.7
1815	30	Apex Motors SM170	127	+0.2	0.7
1825	30	Apex Motors SM171	127	+0.2	0.7
1835	30	Apex Motors SM172	127	+0.2	0.7
1845	30	Apex Motors SM173	127	+0.2	0.7
1855	30	Apex Motors SM174	127	+0.2	0.7
1865	30	Apex Motors SM175	127	+0.2	0.7
1875	30	Apex Motors SM176	127	+0.2	0.7
1885	30	Apex Motors SM177	127	+0.2	0.7
1895	30	Apex Motors SM178	127	+0.2	0.7
1905	30	Apex Motors SM179	127	+0.2	0.7
1915	30	Apex Motors SM180	127	+0.2	0.7
1925	30	Apex Motors SM181	127	+0.2	0.7
1935	30	Apex Motors SM182	127	+0.2	0.7
1945	30	Apex Motors SM183	127	+0.2	0.7
1955	30	Apex Motors SM184	127	+0.2	0.7
1965	30	Apex Motors SM185	127	+0.2	0.7
1975	30	Apex Motors SM186	127	+0.2	0.7
1985	30	Apex Motors SM187	127	+0.2	0.7
1995	30	Apex Motors SM188	127	+0.2	0.7
2005	30	Apex Motors SM189	127	+0.2	0.7
2015	30	Apex Motors SM190	127	+0.2	0.7
2025	30	Apex Motors SM191	127	+0.2	0.7
2035	30	Apex Motors SM192	127	+0.2	0.7
2045	30	Apex Motors SM193	127	+0.2	0.7
2055	30	Apex Motors SM194	127	+0.2	0.7
2065	30	Apex Motors SM195	127	+0.2	0.7
2075	30	Apex Motors SM196	127	+0.2	0.7
2085	30	Apex Motors SM197	127	+0.2	0.7
2095	30	Apex Motors SM198	127	+0.2	0.7
2105	30	Apex Motors SM199	127	+0.2	0.7
2115	30	Apex Motors SM200	127	+0.2	0.7
2125	30	Apex Motors SM201	127	+0.2	0.7
2135	30	Apex Motors SM202	127	+0.2	0.7
2145	30	Apex Motors SM203	127	+0.2	0.7
2155	30	Apex Motors SM204	127	+0.2	0.7
2165	30	Apex Motors SM205	127	+0.2	0.7
2175	30	Apex Motors SM206	127	+0.2	0.7
2185	30	Apex Motors SM207	127	+0.2	0.7
2195	30	Apex Motors SM208	127	+0.2	0.7
2205	30	Apex Motors SM209	127	+0.2	0.7
2215	30	Apex Motors SM210	127	+0.2	0.7
2225	30	Apex Motors SM211	127	+0.2	0.7
2235	30	Apex Motors SM212	127	+0.2	0.7
2245	30	Apex Motors SM213	127	+0.2	0.7
2255	30	Apex Motors SM214	127	+0.2	0.7
2265	30	Apex Motors SM215	127	+0.2	0.7
2275	30	Apex Motors SM216	127	+0.2	0.7
2285	30	Apex Motors SM217	127	+0.2	0.7
2295	30	Apex Motors SM218	127	+0.2	0.7
2305	30	Apex Motors SM219	127	+0.2	0.7
2315	30	Apex Motors SM220	127	+0.2	0.7
2325	30	Apex Motors SM221	127	+0.2	0.7
2335	30	Apex Motors SM222	127	+0.2	0.7
2345	30	Apex Motors SM223	127	+0.2	0.7
2355	30	Apex Motors SM224	127	+0.2	0.7
2365					

1987		Low	Stock	Price	%	Div	Yr
40	45	40	Aluminum Pipe 1/2"	460			
110	120	110	Aluminum Pipe 1 1/2"	335	2.7	1.2	43
130	140	130	Aluminum Pipe 2"	325	2.7	1.2	43
140	150	140	Aluminum Pipe 2 1/2"	325	2.7	1.2	43
150	160	150	Aluminum Pipe 3"	325	2.7	1.2	43
160	170	160	Aluminum Pipe 3 1/2"	325	2.7	1.2	43
170	180	170	Aluminum Pipe 4"	325	2.7	1.2	43
180	190	180	Aluminum Pipe 4 1/2"	325	2.7	1.2	43
190	200	190	Aluminum Pipe 5"	325	2.7	1.2	43
200	210	200	Aluminum Pipe 5 1/2"	325	2.7	1.2	43
210	220	210	Aluminum Pipe 6"	325	2.7	1.2	43
220	230	220	Aluminum Pipe 6 1/2"	325	2.7	1.2	43
230	240	230	Aluminum Pipe 7"	325	2.7	1.2	43
240	250	240	Aluminum Pipe 7 1/2"	325	2.7	1.2	43
250	260	250	Aluminum Pipe 8"	325	2.7	1.2	43
260	270	260	Aluminum Pipe 8 1/2"	325	2.7	1.2	43
270	280	270	Aluminum Pipe 9"	325	2.7	1.2	43
280	290	280	Aluminum Pipe 9 1/2"	325	2.7	1.2	43
290	300	290	Aluminum Pipe 10"	325	2.7	1.2	43
300	310	300	Aluminum Pipe 10 1/2"	325	2.7	1.2	43
310	320	310	Aluminum Pipe 11"	325	2.7	1.2	43
320	330	320	Aluminum Pipe 11 1/2"	325	2.7	1.2	43
330	340	330	Aluminum Pipe 12"	325	2.7	1.2	43
340	350	340	Aluminum Pipe 12 1/2"	325	2.7	1.2	43
350	360	350	Aluminum Pipe 13"	325	2.7	1.2	43
360	370	360	Aluminum Pipe 13 1/2"	325	2.7	1.2	43
370	380	370	Aluminum Pipe 14"	325	2.7	1.2	43
380	390	380	Aluminum Pipe 14 1/2"	325	2.7	1.2	43
390	400	390	Aluminum Pipe 15"	325	2.7	1.2	43
400	410	400	Aluminum Pipe 15 1/2"	325	2.7	1.2	43
410	420	410	Aluminum Pipe 16"	325	2.7	1.2	43
420	430	420	Aluminum Pipe 16 1/2"	325	2.7	1.2	43
430	440	430	Aluminum Pipe 17"	325	2.7	1.2	43
440	450	440	Aluminum Pipe 17 1/2"	325	2.7	1.2	43
450	460	450	Aluminum Pipe 18"	325	2.7	1.2	43
460	470	460	Aluminum Pipe 18 1/2"	325	2.7	1.2	43
470	480	470	Aluminum Pipe 19"	325	2.7	1.2	43
480	490	480	Aluminum Pipe 19 1/2"	325	2.7	1.2	43
490	500	490	Aluminum Pipe 20"	325	2.7	1.2	43
500	510	500	Aluminum Pipe 20 1/2"	325	2.7	1.2	43
510	520	510	Aluminum Pipe 21"	325	2.7	1.2	43
520	530	520	Aluminum Pipe 21 1/2"	325	2.7	1.2	43
530	540	530	Aluminum Pipe 22"	325	2.7	1.2	43
540	550	540	Aluminum Pipe 22 1/2"	325	2.7	1.2	43
550	560	550	Aluminum Pipe 23"	325	2.7	1.2	43
560	570	560	Aluminum Pipe 23 1/2"	325	2.7	1.2	43
570	580	570	Aluminum Pipe 24"	325	2.7	1.2	43
580	590	580	Aluminum Pipe 24 1/2"	325	2.7	1.2	43
590	600	590	Aluminum Pipe 25"	325	2.7	1.2	43

1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000	3001	3002	3003	3004	3005	3006	3007	3008	3009	3010	3011	3012	3013	3014	3015	3016	3017	3018	3019	3020	3021	3022	3023	3024	3025	3026	3027	3028	3029	3030	3031	3032	3033	3034	3035	3036	3037	3038	3039	3040	3041	3042	3043	3044	3045	3046	3047	3048	3049	3050	3051	3052	3053	3054	3055	3056	3057	3058	3059	3060	3061	3062	3063	3064	3065	3066	3067	3068	3069	3070	3071	3072	3073	3074	3075	3076	3077	3078	3079	3080	3081	3082	3083	3084	3085	3086	3087	3088	3089	3090	3091	3092	3093	3094	3095	3096	3097	3098	3099	3100	3101	3102	3103	3104	3105	3106	3107	3108	3109	3110	3111	3112	3113	3114	3115	3116	3117	3118	3119	3120	3121	3122	3123	3124	3125	3126	3127	3128	3129	3130	3131	3132	3133	3134	3135	3136	3137	3138	3139	3140	3141	3142	3143	3144	3145	3146	3147	3148	3149	3150	3151	3152	3153	3154	3155	3156	3157	3158	3159	3160	3161	3162	3163	3164	3165	3166	3167	3168	3169	3170	3171	3172	3173	3174	3175	3176	3177	3178	3179	3180	3181	3182	3183	3184	3185	3186	3187	3188	3189	3190	3191	3192	3193	3194	3195	3196	3197	3198	3199	3200	3201	3202	3203	3204	3205	3206	3207	3208	3209	3210	3211	3212	3213	3214	3215	3216	3217	3218	3219	3220	3221	3222	3223	3224	3225	3226	3227	3228	3229	3230	3231	3232	3233	3234	3235	3236	3237	3238	3239	3240	3241	3242	3243	3244	3245	3246	3247	3248	3249	3250	3251	3252	3253	3254	3255	3256	3257	3258	3259	3260	3261	3262	3263	3264	3265	3266	3267	3268	3269	3270	3271	3272	3273	3274	3275	3276	3277	3278	3279	3280	3281	3282	3283	3284	3285	3286	3287	3288	3289	3290	3291	3292	3293	3294	3295	3296	3297	3298	3299	3300	3301	3302	3303	3304	3305	3306	3307	3308	3309	3310	3311	3312	3313	3314	3315	3316	3317	3318	3319	3320	3321	3322	3323	3324	3325	3326	3327	3328	3329	3330	3331	3332	3333	3334	3335	3336	3337	3338	3339	3340	3341	3342	3343	3344	3345	3346	3347	3348	3349	3350	3351	3352	3353	3354	3
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July 19 20%	93	Fin. 1976-1978Z	2,000%	_____
July 19 20%	93	Arrests	_____	_____
July 19 20%	93	CPI Index	85	_____
July 19 20%	93	General Index	85	_____
July 19 20%	93	Deficit Gen	15	_____
July 19 20%	93	Unemp. N.Y.	15	_____
July 19 20%	93	Herman World	20	_____
July 19 20%	93	Irish Report	20	_____
July 19 20%	93	_____	25	_____

1978Z	2,000%	_____
July 19 20%	93	_____

## PREFERRED STOCK

### 3-month call rates

Industrials	40	NEI	12
Fixed-1 yrs	40	New Mexico Bt	12
AT	55	P & O Dtd	12
Preferred	40	Plumsey	12
DC Corp	37	Polity Fed	12
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[illegible]

Gal & Gen	52	Shel	110
Service	45	Tricentral	13
Bank	50	Ultramar	24
cap ind	62	Minas	
eries & Sprague	22	Cone Gold	95
land B	55	Lorch	56
rgan Greenle	55	Rio T Zinc	90

A selection of Options traded is given in the London Stock Exchange Report Page.







# WEEKEND FT

Saturday August 22 / Sunday August 23 1987

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## The divided brotherhood of Islam

As tensions rise in the Gulf,

Michael Field unravels the religious differences which aggravate the political conflict between Moslems



with the poor and oppressed. Increasingly, these were non-Arab Moslems—Syrians, Palestinians, Greeks and Persians—who had been converted to Islam after the conquests. They adopted Arab speech and dress and were supposed to be equal to other Moslems, in practice they remained subjects of the Arabs and continued to pay the taxes intended to be the lot only of infidels. Foreigners drawn to the Shia community introduced elements of their own previous religions (which in several cases these had been Christian heresies) transmuting Shism into a more mystical shape. Moslem notions of a Mahdi, a God-guided deliverer, became established; saints were created; places of pilgrimage (above all, Karbala) appeared. All these were anathema to the legalistic and puritan Sunnis. Thus, within a century, Shism evolved from a family political party into a distinctive religion with a strong anti-establishment bias.

The Shia leaders, the Imams, remained (or were supposed to be) direct descendants of Ali until the late 9th century AD, when the 12th in their line, a semi-mythical figure called Mahdi, went into hiding, where he is supposed to remain to this day.

Only in Iran has Shism been made the religion of the establishment. This was an act of the Safavid shahs in the 16th century, when they wanted to foster a stronger feeling of Persian national identity and make their subjects feel different from the Turks and Arabs with whom they were at war.

Sunni and Shia both believe in the five fundamentals of Islam: that there is one God and that Muhammad is his messenger; that they should pray five times a day; that they should give taxes to the poor; fast during the month of Ramadan; and go on the pilgrimage to Mecca if they can afford it. They have

the same Quran, the word of God as memorised by the Prophet, which is a rule for all aspects of life, including politics. There are relatively minor differences in their codes of Islamic law, which is based on the Quran and the Hadith, the actions and sayings of the Prophet.

As their history suggests, the main doctrinal difference between the Sunnis and Shias remains the succession to the Caliphate 1,300 years ago. Technically, all a person need do to change from being a Shia to a Sunni is to revise his opinion, in the privacy of his own conscience, about Ali's right to that succession.

The other doctrinal difference concerns the position of the two sects' religious leaders, who by profession are teachers and judges. The Shias invest leaders with a spiritual authority which makes them closer to God than ordinary mortals; the Sunni jurists are distinguished from everyone else only by their superior learning.

The difference between the sects are matters of custom, ceremony and the superstition that tends to be grafted onto religion. The Shias revere saints, particularly the 12 Imams—their spiritual leaders—who are believed to be the "pure" Moslems, degradation that "there is no God but God."

Most striking of all the Shia traditions are the processions commemorating the early martyrs. These take place in the Moslem month of Moharram. The centre piece is a form of passion play, which represents the events that took place in Karbala in 680. There are "corpses" carried upright in their biers, Hussein on a magnificent white horse, troops of sinister black and white riders. At either end of the procession are troops of chest-beaters and back-flagellants, who scourge themselves in unison, with steel whips,

as they chant the name of Ali.

When the processions stop, professional sermonisers tell of the martyrdom. They describe how Hussein's little party is surrounded by thousands of its enemies. Entreaties for mercy to be shown to the women and children fall on deaf ears, and so Hussein draws up his 72 retainers for battle. The Umayyids stand back and shoot down the party with arrows until there is only Hussein left, wounded and exhausted, cradling his little son dead in his arms. He sinks down beside his tent to drink some water, and in the act of drinking he is shot through the mouth by an arrow. Crowds weep at the pity of this tale.

The ritualised bloodletting of Moharram is a reaffirmation by the Shias of separatism and status as a subject people. Everywhere in the Moslem world Shism remains a cult associated with the poor. In the Saudi Eastern Province (where only the most modest processions are permitted) and in Bahrain, the Shia populations have been conquered by Sunni rulers. In Iraq the Shias form a majority but have never held power, they think of themselves as a minority. In Lebanon they are by far the highest single community, but they are the poorest.

It is this poverty and subjugation, more than any religious doctrine, that makes the Shias rebellious. Their militancy has been encouraged by the success of the Shia revolution in Iran. Where their religious traditions are influential is in adding willingness to be martyred to their militancy.

Among educated people of goodwill in the Moslem world, the doctrinal differences between Sunnis and Shias are recognised, but little attention is paid to the differences in religious custom. In the Gulf and even in the Saudi Eastern Pro-

vince there are Sunni-Shia friendships, business partnerships and, occasionally, marriages.

Where anti-Shia prejudice thrives is among the ill-educated. It is at this level of society that people concentrate on the visible manifestations of Shia culture, such as the Moharram processions. They ignore the theology and derive satisfaction from branding the Shias as heretics.

The uneducated are joined in their prejudices by the Saudi family and the religious leaders (ulema) of central Saudi Arabia. Neither the Saudis nor the ulema are poorly educated, but it happens that their partnership was formed in the 18th century specifically to purge Arabian Islam of superstitious practices—particularly the veneration of tombs and saints, similar to Shia practice. The followers of the austere Saudi doctrine are known as Muwahhidin—Unitarians—after their insistence on the worship of one God.

The Muwahhidin believe that people who decorate a religious building will quickly begin to worship the decoration rather than God. Likewise they think that to pay respect to a tomb, a mere lump of stone with a skeleton beneath it, is weak-minded sentimentality. Even Saudi kings are buried in unmarked graves in the desert, soon after their deaths nobody can remember where they have been laid.

The Moharram processions are regarded by the Muwahhidin as mad. One year, a day before the processions were due to take place, a young Saudi prince told me that he could not understand why the Shias had to scourge themselves. "The events they are remembering took place long before they were born," he remarked, "and there's no reason for them to blame themselves because there's nothing they can do now to stop what happened."

What is interesting now is that even in the Saudi establishment an attempt is being made to overcome the old prejudice against Shias. The discontent of the Shias in the Eastern Province, which led to riots in 1978 and 1980, when the influence of the Iranian revolution was still fresh, is being treated as a social and economic issue. Much more money is being spent on the Shia communities there, and the government of the region has been vastly improved. The Shias are seen now as far less of a political danger than they were seven years ago.

No less interesting is the way Iran and Saudi Arabia have dealt with each other in the aftermath of the deaths in Mecca. Iran has called on all Moslems to overthrow the Saudi family. The Saudis, who have always been frightened of the Iranian revolution, have been mildly conciliatory in public—even though King Fahd and the senior princes are furious about the Iranian demonstrations which preceded the Mecca tragedy.

Beneath the surface there is Sunni-Shia tension in relations between the two countries, but this is never expressed in what the governments say to each other. When the Iranians broadcast propaganda to the Shias in the Eastern Province, for example, they urge them to rise against the Saudis because they are "tyrants" and uncouth central Arabians, never because they are Sunnis.

In part, this is because the Moslem world is supposed to be united, and no Moslem government likes to attack another on religious grounds. More important: sectarian differences between the two countries simply do not count compared with the political differences between the revolutionary Islamic government in Iran and the monarchy in Saudi Arabia, or the secular regime in Iraq.

### The Long View

## Why the boss wore a tie on Monday

THE SALES director of a small Lancashire textile company bought a large line of shares the day before the bid for his company was announced. His purchases were discovered and he was dragged before the City authorities. "I knew nowt about 'bid,'" he explained. "But the boss wore a tie on Monday, so I knew summat was up."

A true story, and one which raises a difficult question: just exactly is an insider dealer? The subject is of increasing interest in the US just now, for two reasons. The first is that after years of prosecuting insiders without any precise definition of the crime, the SEC has just published draft legislation which attempts to spell out exactly what it is all about. If the SEC gets its way, a lot of people are going to have to start worrying.

The second reason is that a case is about to come up before the Supreme Court which stretches the insider trading laws way beyond what many people would think reasonable. The case in question would certainly not be an offence in the UK.

Until now, the SEC has prosecuted insiders on a case-by-case basis, attempting to extend the boundaries of the crime as it went along. But the game is changing. The impact of last winter's scandals is still reverberating around Washington, and with legislation quite likely to come this year, the Senate instructed the Commission to come up with a definition by August.

Its proposals start off innocently enough, but the overall effect of its legislation would seem to make anyone an insider whom the SEC cared to decide was one.

"It shall be unlawful for any person, directly or indirectly, to purchase, sell, or cause the purchase or sale of any security

After years of prosecuting insider dealers without a precise definition of the crime, the US authorities seek now to spell it out. Richard Lambert suggests that the UK provides a rather better model



while in possession of material non-public information concerning the issuer or its securities, if such person knows or recklessly disregards that such information has been obtained wrongfully or that such purchase or sale would constitute a wrongful use of such information."

So far so good. The trouble starts with the word "wrongfully." You mustn't deal on information gained through theft

or bribery; slipping a few dollars to the chairman's secretary is definitely verboten but it is also deemed wrongful to trade in a way that would breach "any fiduciary, contractual, employment, personal or other relationship."

Who might such a relationship be with? The SEC lists a whole range of examples, and ends with a catch-all: anyone who the Commission decides has "a regular nexus to the

operation of the nation's securities markets." That phrase, a tribute to the brightest and the best in the Commission's legal department, means that if you call up your broker after a friendly chat with someone the SEC decides is in such a special position, you should prepare for the handcuffs.

The SEC's approach is on display in its Supreme Court case—a highly controversial affair involving a former columnist on the Wall Street Journal who admits to having passed on price-sensitive information about future articles. Everyone agrees that this was very bad form—but was it insider trading?

The case against him is that since company policy banned such unethical behaviour, he had been guilty of wrongfully taking and using information which belonged to his employer. He had a type of fiduciary relationship with the newspaper, which he had breached.

But these are deep waters, Dr Watson. Could he have committed a crime if the newspaper had not had a clear policy on conflicts of interest? And if his offence was against the company, would it be all right if the company itself were to profit from advance knowledge of articles?

The betting is that the SEC is going to have a tough time in pushing this one through the Supreme Court, which is why it is anxious to get a legal definition of the crime that would allow it to do more or less what it wants. A financial journalist, after all, might well be said to have a "regular nexus" to the workings of the markets. So might my mother-in-law, for all I know.

Attempts to define a crime in such a broad way are highly dubious. The UK law is much more straightforward. An insider must be knowingly con-

nected with the issuer of the securities, and be in possession of unpublished price-sensitive information about those securities—information which he knows is sensitive, and which would not be divulged except for legitimate corporate purposes.

A merchant bank advising on a takeover bid is so connected. An alert tea lady is not. There are other sanctions outside the criminal law to discourage abuse. Company directors and their agents—bankers, legal advisers and so on—have a basic duty to steer away from conduct that might be regarded as likely to make unauthorised profits from their fiduciary position. Financial journalists who bring their paper into disrepute get fired.

Complaints about the prosecution of insider dealers in the UK focus on the vigour with which the law is upheld more than on the law itself. The issue is whether enough resources are devoted to hounding wrongdoers, and whether offenders, once convicted, get their just deserts.

But the US does not provide a model for doing things better, despite the celebrated catches of big-name traders last winter. Over the long term, the SEC's record of cllobbering insiders is not great. And in the recent past there has been much concern about the case of Ivan Boesky—who was allowed to sell huge lines of stock before his disgrace was made public. In the spring, the Government withdrew charges against three prominent Wall Street figures, promising a fresh indictment. This has not yet been forthcoming, a delay which one of their lawyers argues is a "cynical and transparent evasion of a right to a speedy trial."

Oh, and that Lancashire sales director? They let him off—and quite right, too.

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THE MONTHLY MAGAZINE FOR DISCERNING INVESTORS



MARKETS

# When nerves show

IT WAS the banking lending figures that did it. After spending two weeks scouring the economic entrails for signs of looming economic woe, the London markets this week finally found something worthy of a spot of panic.

Thursday's announcement that sterling bank lending had risen by £4.9bn in July, the largest monthly increase on record and far ahead of worst predictions, sent the markets into one of the sharpest of their recent reversals. Within minutes of the news, the 33-point early morning rise in the FTSE 100 had been wiped out and dealing screens became a mass of red figures as the index fell with alarming speed to 40 points below opening levels.

The assumption was that the lending figures explained the decision by Nigel Lawson, the Chancellor, to engineer a 1 per cent rise in bank base rates earlier this month. And the immediate fear was that the figures — which intensified concern about a possible build-up of inflationary pressures — might be sufficient to provoke a further increase in borrowing costs.

However, closer inspection of the statistics and some soothing hints from the authorities produced a somewhat less hysterical response. The official line was that nothing in the figures changed the view of monetary conditions which the Government held at the time of the interest rate increase, and that the authorities were satisfied with rates at their present 10 per cent level.

Moreover, the figures were

far from complete and open to several interpretations, some of them more encouraging. For one thing, last month's surge does not seem to have been the product of a rapid rise in consumer credit, which some analysts fear could be stoking inflationary fires. Bank lending to the personal sector actually fell during July.

The main cause of the surge seems to have been a rise in lending to companies. Some of this might have been a technical run-down of foreign borrowings, to be replaced with sterling loans, but it could also point to healthy signs of increased capital investment.

## London

Consideration of these factors helped the equities market regain a little of Thursday morning's lost ground, but the FTSE index nevertheless closed last night at 2208.8 compared with 2,285.4 a week ago and down nearly 10 per cent on its mid-July all-time high.

There seems precious little on the immediate horizon to encourage much of an advance, and plenty which could cause a further dip. Despite a bullish report this week from the National Institute of Economic and Social Research, suggesting that fears of economic overheating are exaggerated, the markets remain very nervous about inflation — particularly the gilts market, where the yield on long dated stocks rose on Thursday through the psychologically

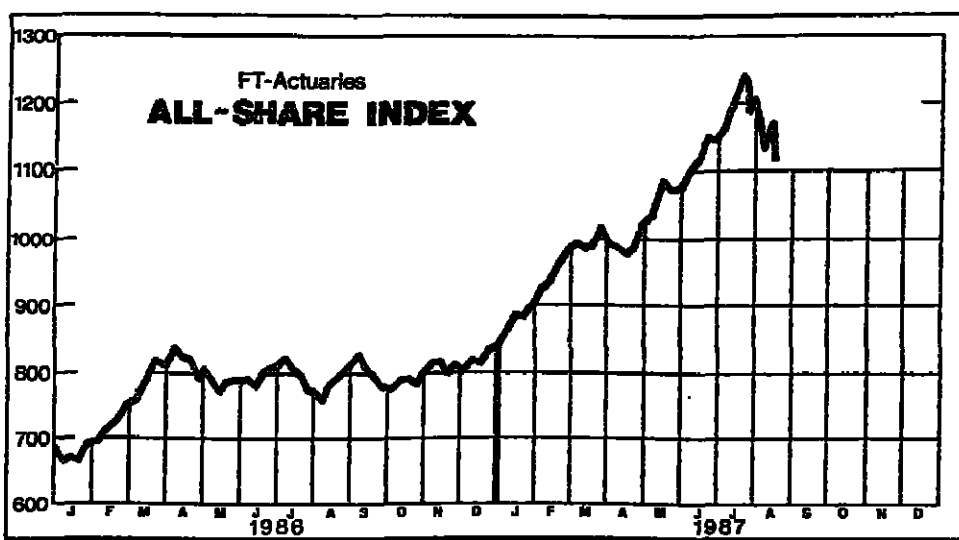
important 10 per cent barrier. That puts the yield gap between Government stock and equities at an extremely wide 7 per cent. And while interest rates are not set to go up now, a rise might be necessary before too long.

Nor have City nerves been soothed by persistent rumours around the market — although with no firm evidence to support them — that a major securities trader might be in financial difficulties.

According to one theory, the antidote to all this anxiety would be a sparkling set of results from corporate Britain in the autumn. But this week's figures have done little to lighten the gloom.

Jaguar's interim profits were down by nearly one-third to £45.7m, well below the expectations of analysts who also were disappointed by Unilever's second-quarter figures — despite a 26 per cent rise in earnings. Against that, however, W. H. Smith, the retailing group, came in at the upper end of expectations with a 30 per cent pre-tax profits increase to £63.8m for the year.

However, the biggest corporate surprise of the week came from Hill Samuel, the merchant bank, which announced on Wednesday that its merger talks with Union Bank of Switzerland had been called off. The news astonished the City, which had confidently been awaiting the precise terms of a takeover deal, and Hill Samuel's share price went into a nose-dive. What went wrong? UBS, who had spent weeks cranking all over Hill Samuel's opera-



former managing director of Hong Kong Land. If UBS had been a British or American institution, rather than an ultra-cautious Swiss one, it might well have bought the bank and then sold the parts it did not want. An instructive lesson in how to do this came at the start of the week when British and Commonwealth Holdings, the financial services conglomerate headed by John Guinness, reached agreement with rival bidder Quadrax Holdings on dismembering Mercantile House, the money-broking to fund management group.

Elsewhere, the takeover front, the British invasion of America continued apace. Pilkington, the glass manufacturer which fought off a bid from BTR earlier this year, expanded its ophthalmic interests with a \$361m offer for Visioncare, leading US lens manufacturer;

while Blue Arrow, the employment specialist, appeared to have clinched victory in its cheeky bid for Manpower, a much larger American operation. However, these takeovers further increase the already heavy demands for new equity being made on the London market, thanks to a spate of rights issues, placings and Government privatisation cash calls. And the highest is yet to come: this week, British Petroleum gave first details of the marketing campaign to encourage millions of private investors to apply for shares in its £7.5bn offering this autumn.

Martin Dickson

## Suddenly, the USM goes into reverse

A REVERSE takeover sounds rather like one of those complex moves in American football which ends up with everyone in a heap in the end. For shareholders, though, it means that the company in which they invest is transformed overnight, as happened to two USM groups this week.

The normal pattern of a reverse takeover is for a small company, quoted on the stock market, to buy a much larger privately-owned group. The small company pays in shares, so that the bigger company ends up with enough stock to control the enlarged group.

The reason the takeover is "reversed," instead of the private company buying the public company, is that a reverse deal allows the new group to keep the stock market quote. A reverse takeover can thus be a cheap way for a private company to join the stock market, since it avoids flotation costs.

Ecobric was never one of the most glamorous stocks on the USM — its interests in scrap metal processing and demolition earn it a prospective p/e of just under seven when it joined the market in 1982. Its subsequent record hardly encouraged an annual following among investors: it reported a loss of £365,000 in the 18 months to January 31 1984, followed by a further deficit of £304,000 the following year.

In May 1985 Ecobric launched a rescue package via a series of two rights issues and brought in Ronnie Aitken, a well-known "company doctor," as chairman. But the group's progress was not helped by its demolition arm's spectacular failure to blow up an east London block of flats — in front of the television cameras, at that.

A further rights issue was planned at the end of last year which would have enabled the group to move into mining. Although Michael Eaton, a spokesman for the National Coal Board during the miners' strike,

## CHANGES IN FT INDICES

The following table shows the percentage change in the FT 30-share index and its constituents since last month's all-time peak. The FTSE 100 share index is also shown.

	Change				Change				
	Price y/day	since July 16	1987 High	1987 Low	Price y/day	since July 16	1987 High	1987 Low	
FT Ord Ind	1,727.2	-10.33	1,926.2	1,320.2	Glaxo	£17 1/2	-4.41	£18 1/2	£10 1/2
ASDA-MFI	190	-12.85	228 1/2	142 1/2	Grand Met	526	-11.62	605	439
Allied-Lyons	403	-13.52	471	317	Guinness ...	344	-8.51	389	264
BICC	365	-11.62	432	269	Hanson Trust	185	-3.39	195 1/2	134
BOC	520	-6.48	559	370	Hawker Siddey	568	-7.49	630	446
BTR	323	-8.75	360	267	ICI	£14 1/2	-2.46	£15 1/2	£10 1/2
Beecham	835	-8.55	589	437	Lucas	722	-8.42	795	465
Blue Circle Ins	454	-17.44	579	335	Marks & Sparr	233	-14.34	280 1/2	180
Boots	301	-4.14	329 1/2	229	NatWest Bank	712	-9.76	794	536
BTI Gase	171	-14.50	200	106	P&O	649	-16.04	776	523
BP	353	-13.90	416	238	Plessey	195	-14.47	258	176
Brit Telecom	262	-12.81	337	209	Royal Ins	496	-9.49	589	423
Cad Schweppes	260	-9.08	289	187	Tate & Lyle	828	-9.90	922	560
Courtaulds	458	-12.26	528	304	Thorn-EMI	664	-17.62	830	468
GKN	380	-5.47	434	272	Trusthouse Forte	250 1/2	-8.57	280 1/2	179
GEC	210	-11.39	251	184	FT-SE 100 Ind	2,205.8	-9.72	2,443.4	1,674.5

was appointed as chief executive, the issue hit legal problems and had to be withdrawn.

Marler Estates, the property company famous for provoking the wrath of London's football supporters when it proposed the merger of Fulham and Queen's Park Rangers, moved in as rescuer in April, buying 64 per cent of Ecobric's equity as part of a £3m refinancing package.

## Junior Markets

Now, Ecobric is buying Zurich Group, a privately-owned property and house-building company, in a deal worth around £50m. Ecobric will pay for the deal by issuing 70m shares, more than its existing equity, leaving Zurich as the majority shareholder and retaining the group's USM status.

Zurich is planning to retain Ecobric's existing interests, inject some of its own — notably in plastics — and expand in the property field.

When Composit Holdings, a software house, joined the USM, hi-tech companies were all the rage and it was able to command a prospective p/e of over 25. But although its rating was higher than Ecobric's, its record proved scarcely more inspiring.

Pre-tax profits of £761,000 in the year to March 31 1985, were followed by a loss of £50,000 the following year and an interim loss of £145,000 this year. Ecobric's European proved costly and Composit had difficulty finding new products to replicate the growth rate of its original Delta range.

So, in June, when Composit announced that its shares were being suspended while it planned two private company acquisitions that would treble its size, it was no great surprise. However, this was one reverse takeover that failed to go exactly to plan.

The Stock Exchange insisted under the nine-month rule that Sagosoft, the larger of the two companies which Composit planned to acquire, produce audited accounts. As that was happening, the two companies fell out and announced this week that discussions had been terminated.

Philip Coggan

## INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at			Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
		27%	45%	60%				
CLEARING BANK*								
Deposit account .....	3.70	3.76	2.79	2.02	monthly	1	—	0-7
High interest cheque .....	6.00	6.17	4.52	3.29	monthly	1	1,000-4,999	0
High interest cheque .....	6.30	6.49	4.75	3.45	monthly	1	5,000-9,999	0
High interest cheque .....	6.70	6.91	5.05	3.67	monthly	1	10,000-49,999	0
High interest cheque .....	7.00	7.23	5.27	3.84	monthly	1	50,000 minimum	0
BUILDING SOCIETY†								
Ordinary share .....	5.00	5.06	3.81	2.77	half yearly	1	1-250,000	0
High interest access .....	6.75	6.75	5.09	3.70	yearly	1	500 minimum	0
High interest access .....	7.00	7.00	5.27	3.94	yearly	1	2,000 minimum	0
High interest access .....	7.50	7.50	5.65	4.11	yearly	1	5,000 minimum	0
High interest access .....	7.75	7.75	5.84	4.25	yearly	1	10,000 minimum	0
90-day .....	7.75	7.90	5.95	4.33	half yearly	1	500-9,999	90
90-day .....	8.00	8.16	6.15	4.47	half yearly	1	10,000-24,999	90
90-day .....	8.25	8.42	6.34	4.61	half yearly	1	25,000 minimum	90
NATIONAL SAVINGS								
Investment account .....	10.00	7.30	5.50	4.00	yearly	2	5-100,000	30
Income bonds .....	10.50	8.04	6.06	4.41	monthly	2	2,000-100,000	90
Deposit bonds .....	10.50	7.67	5.78	4.20	yearly	2	100-100,000	90
33rd issue .....	7.00	7.00	7.00	7.00	not applicable	3	25-1,000£	8
Yearly plan .....	7.00	7.00	7.00	7.00	not applicable	3	20-200/month	14
General extension .....	7.02	7.02	7.02	7.02	quarterly	3	—	8
MONEY MARKET ACCOUNTS								
Schroder Wagg .....	6.58	6.78	5.11	3.72	monthly	1	2,500 minimum	0
Provincial Trust .....	7.53	7.79	5.87	4.27	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS‡								
7.75pc Treasury 1985-88 .....	9.45	7.38	5.99	4.84	half yearly	4	—	0
10pc Treasury 1990 .....	10.58	7.85	6.04	4.53	half yearly	4	—	0
10.25pc Exchequer 1995 .....	10.49	7.70	5.84	4.29	half yearly	4	—	0
3pc Treasury 1978-88 .....	7.43	6.59	6.04	5.58	half yearly	4	—	0
2.5pc Exchequer 1990 .....	7.62	6.88	6.39	5.98	half yearly	4	—	0
Index-linked 1990† .....	6.98	6.44	6.07	5.77	half yearly	2/4	—	0

\* Lloyds Bank. † Halifax 90-day; immediate access for balances over £5,000. ‡ Special facility for extra £5,000. § Source: Phillips and Drew. ¶ Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

## Ladbroke has a £50m look

LADBROKE GROUP'S one-third/two-thirds weighting of profits towards the second half appears to be continuing and the leisure group's interim results are expected to produce just short of £50m pre-tax.

Since March's heavy £294m rights issue, the group's shares have suffered from speculation (perhaps inspired by competitors) over the future of the SIS race broadcasting system.

However, Ladbroke's betting shop chain has been expanded by the addition of a further 100 outlets, about half of them in the north London area.

Hotel and holiday operations will have had their traditionally quieter first half but the property divisions' profits — Ladbroke's £500m portfolio is the 10th largest in the UK — are expected still to be growing at a 20 per cent-plus rate, with the group's US property development activities highlighted favourably by analysts.

Texas Homecare, the DIY chain, is looking to almost double its profit contribution to the group in its first full year as a member.

Interim results of Northern Engineering Industries, to be announced on Wednesday, will continue to be depressed by the £75m restructuring programme begun last year involving the loss of 7,500 jobs. About 1,500 plant-based jobs are to go this year.

Despite this, analysts are looking for an improvement, with interim pre-tax profits of £100m to something closer to £12m.

The precise figure is difficult to pin down because of uncertainties about the timing of the programme. The restructuring does appear to be moving forward according to plan and the order book is looking strong, but in the heavy engineering field this will take

time to show up on the bottom line.

Interim results, due on Tuesday from Alfred McAlpine, the construction, minerals and homes group, are expected to show pre-tax profits of around £7.5m, marginally up from £7m in last year's first half.

The depressed figure reflects the impact of weather conditions on the group's activities on the eastern seaboard of the US.

On the domestic front, good

## Results due

progress is expected on the housebuilding side in light of the move into up-market property and greater concentration in the south of England.

In the minerals division, some improvement on the back of the strong demand for aggregates is predicted.

At Glynwed International, the fast-growing Midlands industrial group, analysts are predicting pre-tax profits of about £24m, compared with £19.3m, when it produces its interim figures on Wednesday.

The group's commitment to achieve an annual increase of 20 per cent in earnings growth should be achieved more than comfortably, although some analysts are predicting this figure will become increasingly difficult to maintain.

The company has not looked back since its South African divestments. It has strengthened its presence in the plastics by acquiring Plastics Constructions and the Italian-based Formatura Iniezione Polymeri (FIP) earlier this summer.

Both acquisitions, plus extremely good asset management, have contributed to Glynwed's growth. It is not a company to take risks.

Company	Announce- ment due	Dividend (p) %	
		Last year	This year Int.
FINAL DIVIDEND			
AGB Research	Wednesday	2.7	4.0
Douglas (Robert)	Tuesday	0.7	1.5
First New Northern	Tuesday	0.5	1.1
First Scottish American	Thursday	4.0	6.0
Flora	Tuesday	1.3	2.1
Joe Holdings	Thursday	1.0	2.4
Murray Income Trust	Tuesday	1.8	3.6
Pace Tools	Thursday	0.8	1.5
Scottish Investment Trust	Thursday†	2.2	4.2
Trent Holdings	Thursday	—	1.1
INTERIM DIVIDEND			
Alcoa Holdings	Thursday	2.2	5.7
Amalg	Thursday	4.5	7.5
American Trust	Monday	1.1	2.1
Aurora	Thursday	0.5	1.2
Ayrshire Metal Products	Friday	0.6	—
Barker, Charles	Thursday	1.0	2.0
Barr and Wallace Arnold	Thursday	2.0	6.0
Braime T. F. and J. H.	Wednesday	1.5	3.0
British Assets Trust	Thursday	0.5	0.8
Cambridge Electronics	Monday	0.2	0.8
Catalyst Comm.	Thursday	—	—
Church and Co.	Wednesday	2.5	7.0
Dawhlat, J. J.	Monday	0.2	0.8
Edinburgh Fund Management	Monday	2.5	5.5
Edinburgh Oil and Gas	Thursday	—	—
Evans Halgham	Tuesday	0.7	2.5
Ex-Lands	Thursday	—	0.7
Fisher, James	Wednesday	1.8	0.3
Glynwed International	Wednesday	3.4	5.8
Gold and Base Metal	Wednesday	—	—
Hanson Trust	Tuesday	1.0	2.1
Ladbroke Group	Thursday	5.0	7.0
Lac Refrigeration	Thursday	4.0	8.5
Low and Bonar	Monday	1.7	3.8
Marsland, Mac	Friday	4.0	15.0
Marley	Thursday	1.4	2.7
McAlpine, Alfred	Tuesday	4.0	10.5
Murray International Trust	Tuesday	1.2	3.5
News International	Thursday	1.2	1.0
Northern Engineering	Wednesday	1.8	3.6
Palm Group	Wednesday	—	2.0
Pentland Industries	Tuesday	0.08	0.3
Phicom	Tuesday	0.2	0.3
Plasuram	Monday	1.0	2.8
President Entertainments	Wednesday	0.7	1.3
Refuge Group	Wednesday	5.0	10.7
Renaissance Holdings	Wednesday	0.8	1.3
Scottish Eastern Investment Trust	Monday	0.8	1.3
Steel Burrit Jones	Wednesday	2.4	6.6
Waterford Glass	Wednesday	1.2	1.7
Wear Group	Friday	1.0	2.5

\* Dividends are shown net of basic rate tax and are adjusted for any intervening scrip issues. † Figures for nine months. ‡ Quarterly figures.

## COMPANY NEWS SUMMARY

### TAKE-OVER BIDS AND MERGERS

Company Mid Inc	Value of bid per share**	Market price***	Price bidder bid	Value of bid indicated	bidder
Prices in pence unless otherwise indicated					
Rabcock Instal	310*	287	285/41†	414.87	F&I Electricals
Rigel	78	80	70	15.00	CI Group
Country New Twa	197*	129	190	89.42	Pennant
Derwent Stamping	425*	685	645	25.95	Carole King
Derwent Stamping	725/4	685	645	32.32	Christy Hunt
Holden Hydrocar	263*	285	215	10.38	BBA
East Lymington	163	164	158	72.71	Morgan Credit
Humble†	610	640	485	73.20	Telfin
Jarvis (J.V.)	750*	790	775	7.30	Brookville Seas
Keat (John)	120	116	105	14.40	Redevco
Kleen-Eze	600*	825	635/41†	18.32	Rightward
Laidlaw	232*	145	210	34.00	Go Down
Lewman	150	142	140	35.75	Priest (Benjamin)
Mackay City	125*	515	122	8.32	Citibank
Mackay City Prps	229*	215	233/41†	26.20	Bilva
Mercantile House	600*	545	498	568.50	Birk & Coeurville
Miss Sam	207	190	192	33.12	De La
Mitchell Cotts	82	82/4	71	26.00	Baker
Oilco	300†	305	245	87.94	Tower Knolly Mills
Oilco†	441	433	450/41†	535.00	Reed Ltd
Plastic Structures†	131	138	126	7.38	Glyved Ltd
Plasbrook†	279*	274	273	15.19	Tate Cast
Riley Leisure†	98*	98	75	35.00	Midsummer Leisure
Rymer Group†	284/4	236	245/41†	18.21	Phoenix Pr & Pa
Ryan Group†	192.05	190	194	70.69	Peugeot
Scholes (G. L.)	550/4	535	480	10.50	W. J. Group
Shire Castings	165*	162	155	247.74	Mr R. Randall
Shire Castings	165/4	564	500/41†	321.00	Willis Faber
Stone Int'l	135	163	124	37.64	Monmouth
Steele Int'l	109	105	154/4†	11.00	Wells Electricals
Southern & Pitt	210/4	204	190	7.09	Hollis
Southern & Pitt as business	174/4	174	149	19.55	Comb Lease Fin
Wardpark†	195	145	139	19.55	Norsk Data



## MARKETS

## A stumble, not a fall

THE US stock market was riding for a fall last week. Everybody said so. But the fall, when it happened on Tuesday, was little more than a stumble.

The Dow Jones Industrial Average, the collection of large capitalisation stocks where all the action is, dropped 45.82 points on Tuesday, its largest correction since May 15. But the Dow didn't really tumble, as the end of trading on Wednesday, feeling very pleased that it had broken no bones. By Thursday it was in full career again, hurtling through the 2,700 level to close at a record 2,706, up 40.97 points. The banking market, for fixed-interest and foreign exchange were left floundering.

The progress of the US stock market has become a little eerie. It is not simply the absolute rise in prices, although this is unusual enough since January, but the Dow has pushed through eight century barriers with ever-increasing force. What traders find weird is the Dow's vigour when the two other markets are providing no life support. In the course of the week, bond prices fell more than two points at the long end while the dollar fell about 7¢ from Friday to Friday in a delayed response to bad balance-of-trade figures. But the stock market overcame these problems. It is as if stock buyers have given up worrying about the interest cost of the funds they use to buy equities, or about the currency in which the stocks are denominated.

For the best part of the present bull market in stocks,

or from the middle of 1983 until the end of last year, the equity and bond markets were moving together. If anything, bonds provided a slightly better total return. At the beginning of this year, though, the two markets diverged dramatically. Stocks have risen more than 40 per cent while domestic investors in bonds have suffered a capital loss.

The result is new territory for those who value stocks, according to William Helman

## Wall Street

of Smith Barney. Historically, the equity market was considered riskier than the fixed-interest market. Stocks were valued so as to offer a higher total return than that available from good-quality long-term bonds. This extra return was called the risk premium.

The Standard & Poor's 500, a wider measure than the Dow, has risen so much that its average dividend yield has fallen to a mere 2.6 per cent. Helman adjusts that to 3 per cent because prospective dividends will be higher, and adds 1.5 per cent for the rate that inflation-adjusted dividends will probably grow. That leaves a potential real total return on stocks of 4.5 per cent.

If future inflation is going to average 4.5 per cent, which is the market's consensus estimate, then the nominal total return on stocks is 9 per cent. This coincidentally, is the ap-

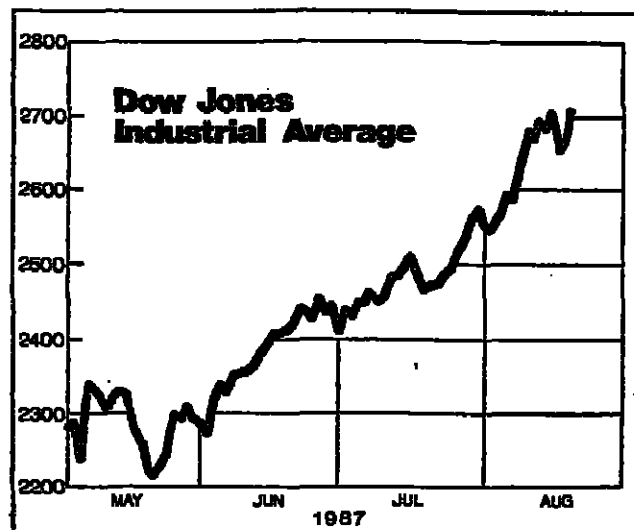
proximate yield on 30-year treasury bonds, which means that the risk premium is nil. The markets have decided, at least for the moment, that stocks are no riskier than bonds.

With the dollar, the picture is even stranger. Admittedly, on Tuesday even the stock market lost its nerve. In the course of the day, the dollar shed more than three yen of value when foreign exchange dealers decided that the US trade deficit was getting no better. But while the fixed interest markets had not regained their poise by the weekend, stocks were holding up, even amid Friday's new bout of dollar weakness.

The only explanation is a rather feeble one: that foreign investors have decided that US stocks offer a better hedge against dollar weakness than US bonds. It does appear that any extra foreign investment is going into US stocks rather than bonds.

To compound everything, the stock market had one piece of quite bad news last week, this time from the banks. The market recognised long ago that it would have to pay the bill for the banks' Third World lending policies. That is why the stock prices of money-center banks have been so low relative to their earnings.

Last Tuesday, though, Citicorp handed in its bill—and it was large, even by New York standards. The largest US banking group, which was the first publicly to recognise (in May)



that many of its Third World loans were worthless, announced that it wants to raise more than \$1bn in new capital to plug the holes left in its balance sheet by these disappearing assets. Several other banks, which are not much better capitalised than Citicorp, are bound to try to follow suit.

The prospect of a flood of new shares diluting available bank earnings should be dreary enough to stop the most enthusiastic bull. The stock market duly marked Citicorp down \$2½ to \$68½ on Wednesday. Manufacturers Hanover fell \$7 to \$44½ and even the mighty J. P. Morgan, not usually considered to be in need of capital, fell \$1 to \$90½. But by Friday, Citicorp had recaptured half its loss while J. P. Morgan was racing ahead at over \$51.

One reason the market is advancing is that there are sceptics everywhere. In the month ended on Friday, short interest on the New York Stock Exchange rose 13 per cent to a record. On the Amex, the rise was 4.5 per cent.

This means that a lot of people think the Dow is too high and have sold stock they do not own, hoping to buy it at a lower price later on, creating a profit. High short interest is often regarded as a bull point, because it is a pool of buying power that might eventually send the market higher.

Monday	2700.57	+15.34
Tuesday	2654.66	-45.91
Wednesday	2665.82	+11.16
Thursday	2706.79	+40.97
Friday		

James Buchan

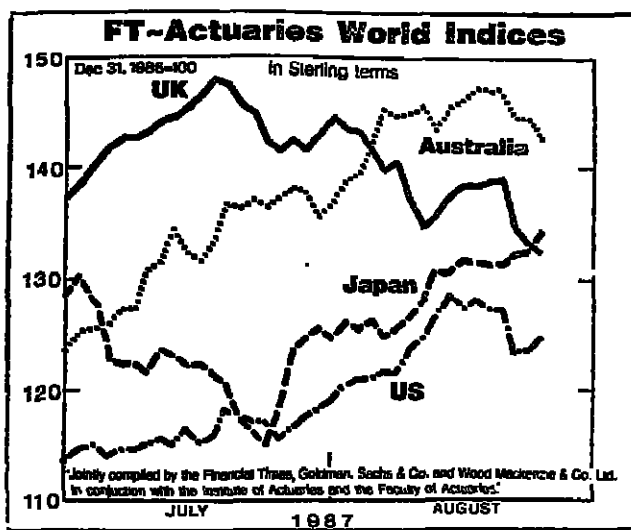
## Big money goes on the prowl for returns

FOR INTERNATIONAL investors the world has become an extremely complicated place over the past couple of months, with enormous differences between success and failure. To take the two extremes, the Mexican market has risen by around a quarter since the beginning of July, whereas Italy is down by a tenth.

Among the major markets, Japan remains in a state of convalescence following its setback late in June and the UK has been looking very groggy. But the US market has gone from strength to strength, showing gains of around a tenth since July 1.

As well as national markets, particular groups of shares have also been moving in different directions. Those in commercial banks around the world were noticeably weak during the month of July. But the total return (capital gains plus dividends) on an international portfolio of precious metals and mining stocks in the month was nearly 25 per cent; Canada and Norway have been rising strongly with the help of gains in the natural resources sector.

The best picture of these worldwide trends is to be found in the daily table of FT-Actuaries World Indices. This is based on the share prices of some 2,400 companies, all of which are available to inter-



national investors, and the indices are calculated in the same way as the long established FT-Actuaries Indices of the UK market.

They started off at the beginning of this year with a base value of 100, so the winners and losers so far in 1987 are very obvious.

The most extraordinary performance is that of Mexico, where the index in sterling has risen more than 25 per cent since the beginning of the year. This is about as risky and speculative a bubble as you can get. Concern about inflation is obviously growing around the world. That has certainly been the story in the UK in the past few weeks, and it explains why shares in companies like Amex and Phelps Dodge in the US Falconbridge in Canada and Western Mining in Australia have been shooting ahead.

Bond markets also have responded to inflation worries. In the US, the yield on the long bond has climbed from around 7.5 per cent to near 9 per cent; yields on 10-year treasury issues in West Germany are up by about a point from around 5.5 per cent, while government bond yields in France and the UK are pushing up to and beyond 10 per cent. Long term rates in Japan also are sharply up.

Although equity investors have pulled back from certain markets, however, the picture across the world as a whole remains strong, with the FT-Actuaries World Index up by roughly 5 per cent since early July. There are signs that investors are shifting funds in a big way from country to country in the search for attractive returns.

Take Japan, for instance.

Even the locals now seem a touch uneasy about average p/e ratios of around 70 and dividend yields of about 0.5 per cent. But instead of sticking their money under the bed, the Japanese are buying foreign equities at an enormous rate.

Trading on the foreign section of the Tokyo Stock Exchange in July jumped by more than 50 per cent from June's record

## The World

level, and purchases of foreign shares for the year as a whole could easily reach three times last year's total.

In West Germany, meanwhile, the market has rallied strongly in recent weeks, with foreign buyers to the fore. This is not because the economic prospects suddenly look a lot brighter. The explanation seems to be simply that, after a period of underperformance, international investors decided the market looked quite attractive relative to everywhere else.

Among the smaller markets, Norway also is attracting substantial interest from foreign buyers and the index has jumped by more than a fifth since the beginning of July. The appeal lies in the firmness of the oil price, the relative strength of the Norwegian krone, and some rather good economic news.

However, the risk in these minor markets is that once fashions change, foreigners can get crushed in the rush to the exit. For most private investors, the international market which matters most is still the US. The bull market there is five years old and going strong, and its progress in the coming months will have a major impact on the overall performance of the World Index.

Richard Lambert

## Nickel makes a steady comeback

the year many people were expecting a reduction in stainless steel output in Japan. Now, though, the industry appears to be heading for a record year.

A world shortage of scrap has brought an additional bonus for nickel producers. In making stainless steel, either nickel or scrap can be used in the furnaces. Last year, they were consuming 60 per cent scrap and 40 per cent nickel but this year has seen the amount of scrap used fall to below 50 per cent.

Neil Buxton, an analyst with Shearson Lehman, believes the shortage of scrap looks like continuing for two reasons. First, stainless steel producers are becoming more efficient and are producing less waste material for recycling. Second, the number of old industrial

plants being scrapped—another major source—has fallen. "There is a fundamental tightness in the supply of scrap which does not look like being eased," says Buxton.

According to Shearson

## Resources

Lehman's Mid-year Review of the Metal Markets, these factors should help consumption of new nickel to improve by about 30,000 tonnes this year to 575,000 tonnes. At the same time, production is forecast to rise only modestly from 506,000 tonnes to 514,000 tonnes.

Stocks of nickel in LME warehouses stood at 4,800 tonnes last week, compared with more than 7,300 tonnes at the

beginning of the year, and producers' stocks are also low.

At this time of the year, producers are in no position to boost stocks in the short term. Falconbridge is in the middle of its annual summer shutdown and Inco is only just beginning to work up production after a similar closure.

In addition, Outokumpu of Finland is cutting output while its plant undergoes maintenance work, as is Societe Le Nickel at its New Caledonia plant. In Japan, Nippon Mining is withdrawing from production completely.

On top of all this, the Soviet Union has been selling less nickel to the West than last year when its exports helped to push prices down to four-year lows. According to Robin Ebar, nickel analyst with Rudolf Wolf, the LME trader, the

Soviets have begun to realise that they cannot swamp the market if they want to get reasonable prices.

Last year, Soviet exports to the West were running at about 5,000 tonnes a month. So far this year they have averaged about 3,000 tonnes, although Bhar says Soviet exports are always stronger in the fourth quarter of the year.

Supplies from socialist countries are likely to pick up again next year, however, according to the Shearson Lehman review. The Chinese look set to double their exports to 6,000 tonnes this year, but the review says this will not have a significant impact on the market.

The real impact next year is likely to come from the long-awaited Cuban nickel industry, potentially one of the

largest in the world. The country is building two 30,000-tonnes-a-year smelters, but technical problems have dogged the projects so far.

Shearson believes that once the problems are solved, Cuban shipments will return the level of socialist exports to the West to 50,000 tonnes against the estimated 40,000 tonnes for this year.

Meanwhile, dealers will be keeping a keen eye on the labour negotiations at Inco's Manitoba facilities in Canada next month. High prices for nickel could strengthen the unions' bargaining position, and any industrial action will worsen the already tight supply situation.

"It will be a brave person who goes short of nickel with the Inco negotiations coming up in a tight market," says Buxton.

David Blackwell

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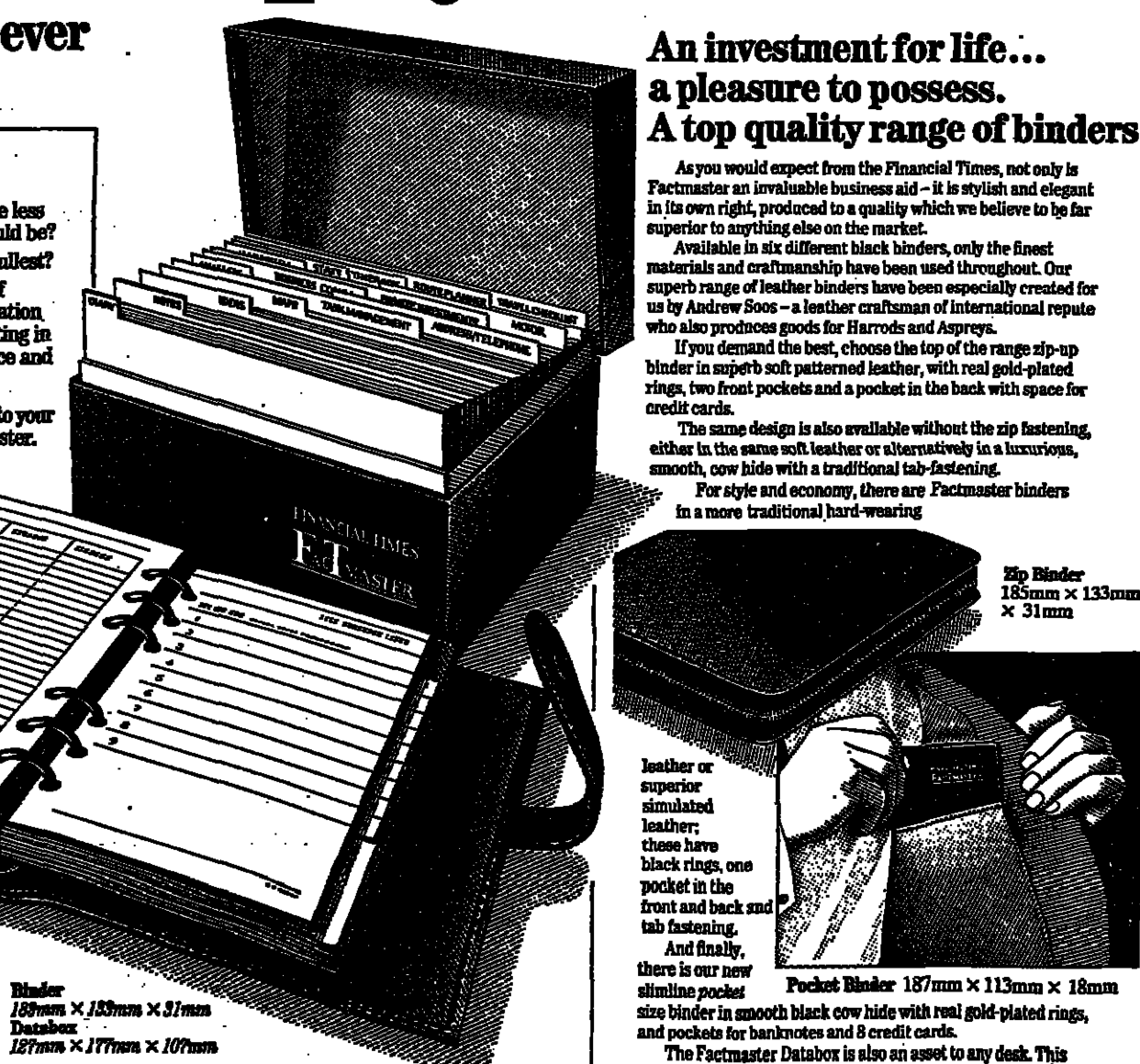
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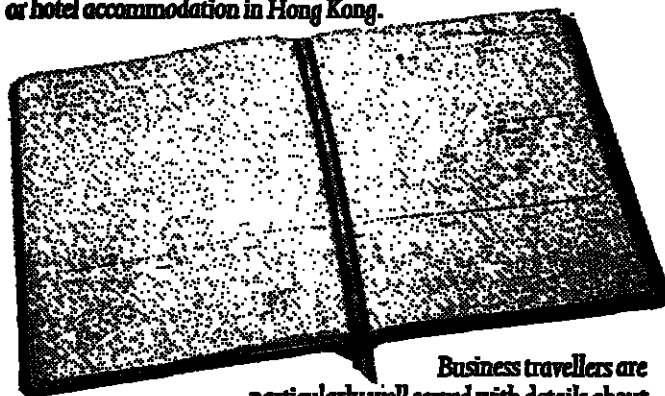
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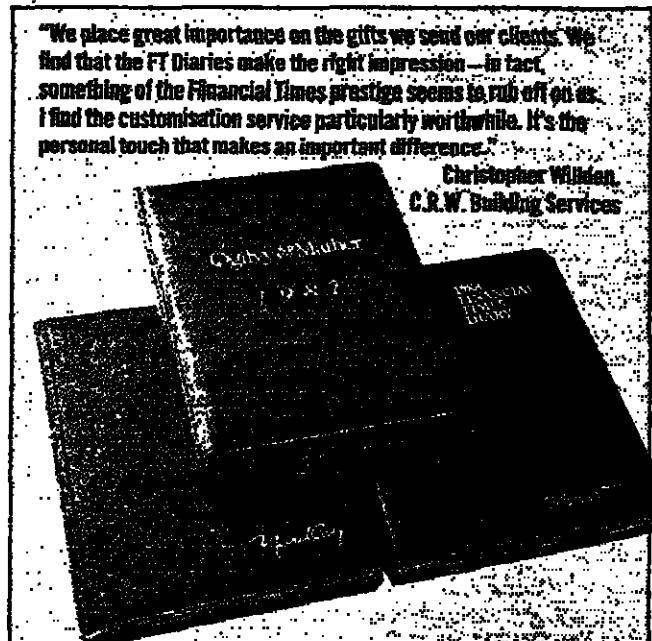
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International Travel Section: covers airports, transport, car hire, world time, seating plans of aircraft, major airline details. Diary Sections: from 30 November 1987 to 29 January 1988. World Atlas with 48 full color pages. Indexed Address/Telephone Directory: Diary size: 10 1/2 x 8 1/2 (265mm x 216mm).

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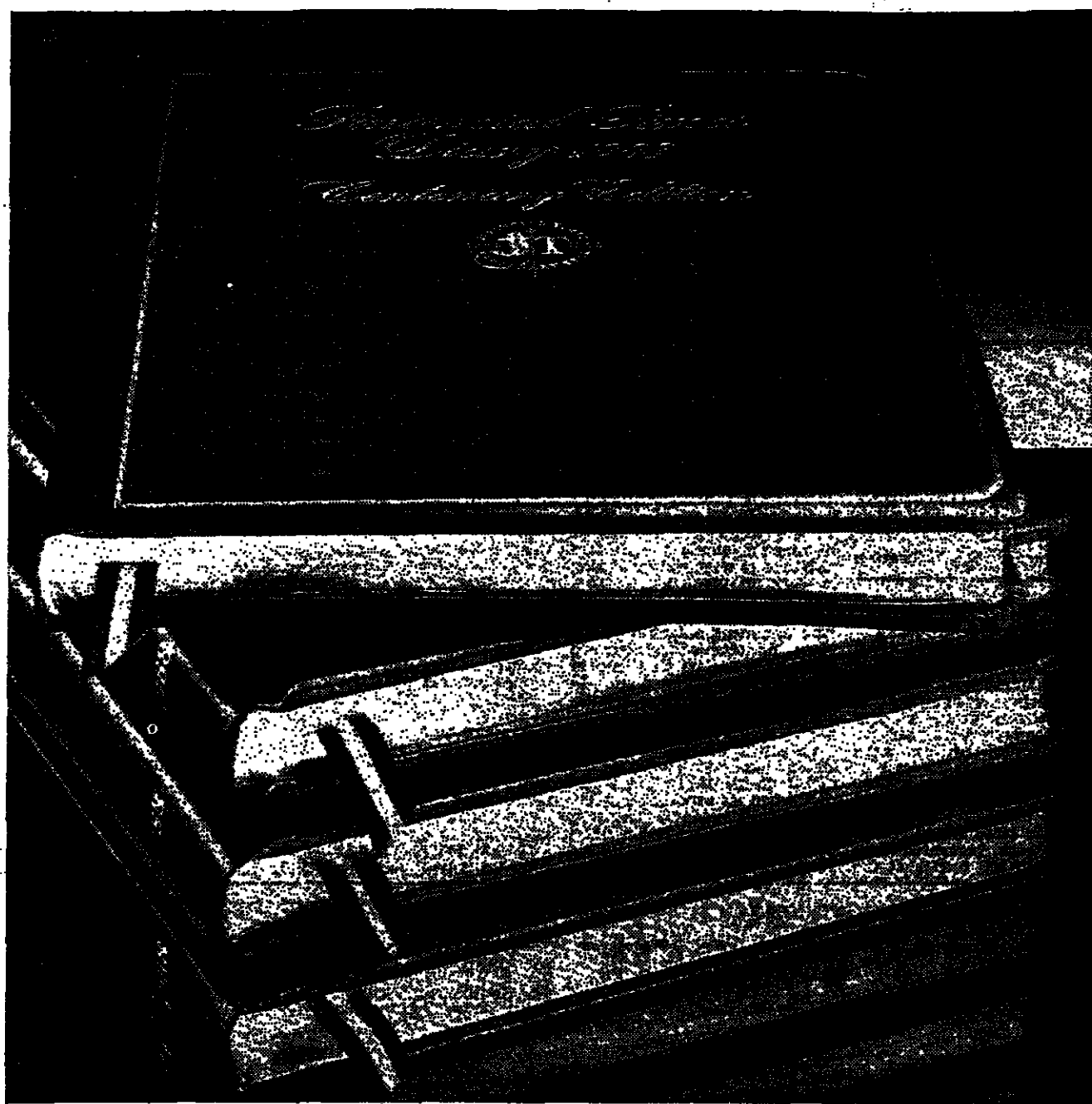
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DP	FT Pink Desk Diary, black bonded leather, page-a-day		£24.96	£18.22	£17.82	£17.03	£14.44
DC	Desk Diary, black leathercloth		£19.99	£14.17	£13.86	£13.25	£11.55
PL	Pocket Diary, black leather		£10.98	£ 8.38	£ 8.19	£ 7.83	£ 7.56
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PS	Pocket Diary, burgundy bonded leather		£10.41	£ 7.92	£ 7.74	£ 7.40	£ 7.14
PC	Pocket Diary, black leathercloth		£ 9.71	£ 7.36	£ 7.20	£ 6.88	£ 6.60
WP	Black leather Wallet, new design, fits Pink Pocket Diary		£22.37	£17.48	£17.10	£16.34	£15.77
WL	Black leather Wallet, new design, fits PL and PC		£20.64	£16.10	£15.75	£15.05	£14.53
WP	Burgundy leather Wallet, new design, fits PS		£20.64	£16.10	£15.75	£15.05	£14.53

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If you supply your own block or if we hold your block from previous years, we'll give you a £27.50 reduction.	Number of items to be blocked per logo						
Unit prices shown are for a complete batch (25 items, for example, cost the same per item as 49).	1-24	25-49	50-99	100-249	250-499	500+	
If you require logos on two different sizes of diary it may be necessary to have two different sized logos and be charged twice.	£80.00	£90.00	£100.00	£115.00	£160.00	£180.00	

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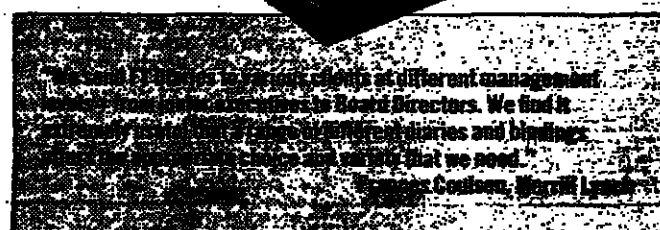
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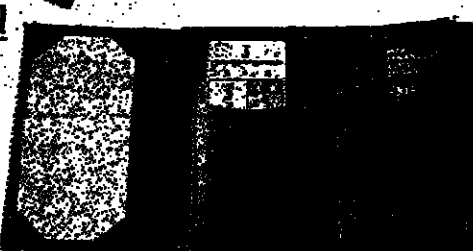


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Comprehensive information about the UK and 26 international business centres - everything from lists of hotels, restaurants, theatres, conference centres and airport details. New is the listing of the UK Stock Exchange account days.

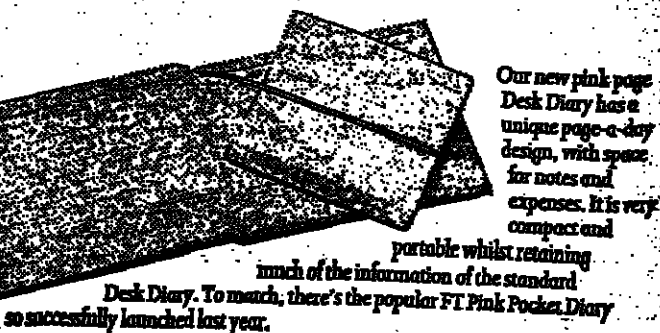
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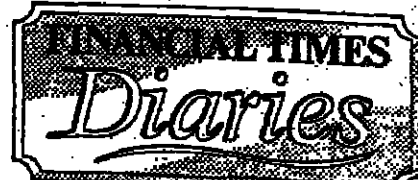


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**Here today, here tomorrow.**



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## It takes Bankers Trust.



Bankers Trust was selected as exchange agent for the \$2.6 billion acquisition of Storer Communications by its management and SCI Holdings, Inc.—a corporation organized by Kohlberg, Kravis, Roberts & Co. In 1986, our specialized reorganization processing team handled acquisitions totaling over \$20 billion, including three of the five largest.



You might expect a bank with "Trust" in its name to be a powerful force in corporate trust and agency services.

So it should come as no surprise that more than 2,000 corporate and governmental entities worldwide depend on Bankers Trust to service over \$150 billion in securities. (We exercise fiduciary responsibility for over \$80 billion in debt securities alone.)

But for the same bank to be a major force in the Euromarkets—that might seem surprising. Yet last year, Bankers Trust lead-managed 20 Eurosecurity offerings totaling \$2.5 billion. And was one of the most active participants in the secondary market, where we are a market-maker in over 600 different Eurosecurities.

Such dual leadership is the result of Bankers Trust's remarkable brand of banking: merchant banking.

Merchant banking blends two distinct aspects of banking. One is the lending capabilities and breadth of non-credit services of a commercial bank. Among these are our trust and agency services.

The other half of merchant banking involves the intermediary skills and entrepreneurial spirit of an investment bank. From this half springs our strength in the Euromarkets.

It's this combination of investment and commercial banking services that has made Bankers Trust the choice of so many private and public sector entities. For more often than not these days, what once were purely commercial banking functions now require a considerable degree of investment banking know-how. And vice versa.

The combination has given Bankers Trust leadership in many areas. Among them:

**Trading.** From our regional trading rooms in New York, London and the Far East, we execute over \$20 billion in money, securities, and currency transactions daily. Bankers Trust is today one of the five largest primary United States government securities dealers and one of the acknowledged leaders in foreign currency trading.

**Loan syndication.** Bankers Trust plays a major role in the global syndicated loan and Euronote market. We are sixth among the top 50 lead managers worldwide, and are ranked fifth by leading participants in the world's capital markets in terms of innovative instruments and pricing.

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In almost every area, Bankers Trust's merchant banking skills can serve you, and serve you well. Indeed, many clients now turn to us for virtually all of their banking needs.

**Merchant banking.** If you're not yet taking advantage of it, you should. With the special kind of bank that can best put it to work for you: Bankers Trust.

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Merchant banking, worldwide.



## FINANCE &amp; THE FAMILY

## Advisers in two camps

IF YOU went to your bank or building society to ask for advice about an endowment mortgage, a pension, or unit trusts, would you mind if the manager tried to sell you one of his own group products? Or would you expect him to give independent advice on the whole range of products available on the market?

These questions have been brought to a head by the fact that from next year, Abbey National and all the big clearing banks (with the possible exception of National Westminster) will be selling only one range of products through their branches. But most building societies will be giving independent advice.

This division has been forced by the Securities and Investments Board (SIB), the new financial services watchdog which is requiring all financial institutions to choose between giving independent advice and selling only their own products. What they will not be able to do is give independent advice and at the same time sell their own products through the same branches.

SIB has done this because it wants to protect the consumer. It argues that if banks were able to give advice and sell their own products, there would be doubt about the independence of that advice. Consumers could be duped by banks and societies masquerading as independent advisers while in fact pushing their own products.

The alternative argument, however, is that by artificially forcing financial institutions to choose one or the other, SIB has ended up by reducing the amount of choice available to consumers.

Given that the industry is dividing itself into two camps—the banks and Abbey National in one, and the other societies in the other—which should you, as a consumer, patronise?

It might seem obvious to go to those institutions offering independent advice and the full range of products. It is clear that societies taking the independent route will make great play of this in their marketing next year. And many large life companies without their own sales forces will be running a high-profile advertising campaign stressing the virtue of taking independent advice.

But independent advice on its own is not good enough. It is vital that such advice be of sufficiently high quality. The suitability of the advice being given by each institution will depend on the complexity of your needs and the product you are looking to buy.

Independent endowment mortgages, for example, you will almost certainly be better off getting independent advice; there is no reason to suppose that those banks with in-house life companies are offering the best products available in the market.

Midland and Royal Bank of Scotland, which do not have their own life companies, are at the moment planning to introduce clients who want life policies to their in-house insurance brokers. These will give advice on products but, because of SIB's strictures, they will not be able to operate through the bank branches.

With Abbey National, the situation is slightly different. As it will be easier to train staff to sell one range of products than to give advice on the whole market, even Halifax's Jim Birrell admits that training staff to sell pensions will not be easy. "We won't do anything unless we are satisfied that we are well prepared."

So there is a partial justification for offering only one range of products. You may not get the most suitable product on the market, but at least you will be safe. As Allan Kirkley, national sales director for Black Horse Life and Lloyds Unit Trust Managers, said in explaining his bank's decision to sell only Lloyds products through its branches, many Lloyds customers want the security of buying a Lloyds product.

Even so, this is only a second-best solution. Your best bet will be to go to an expert for advice.

The banks and Abbey realise this. They are planning to steer any of their clients who need specialist advice towards independent brokers within their groups. The upshot of SIB's rules, however, is that these specialists will not be able to come and meet you at the branch in the future. You will have to meet at a separate location to ensure that the advice being given really is independent.

The difficulty about training branch staff to give sophisticated advice of this kind is at



Peter Birch: chief executive, Abbey National

least part of the justification given by those institutions which have chosen to limit the range of products they offer.

Abbey's manager for business development, Richard Baglin, says it will be easier to train staff to sell one range of products than to give advice on the whole market. Even Halifax's Jim Birrell admits that training staff to sell pensions will not be easy. "We won't do anything unless we are satisfied that we are well prepared."

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THE £7.5BN sale of the Government's remaining stake in British Petroleum is set to match the privatisation of British Gas for sheer razzmatazz.

The advertising campaign for what will be Britain's biggest-ever share offering will be on a scale the like of which has not been seen since Sid, the imaginary British Gas investor, stalked the nation's poster boards, television screens and newspaper pages last November.

It is easy to see why. Not only is this a huge issue, dwarfing even the £5.6bn British Gas flotation: it is also an offer of shares in a company already quoted on the stock market, so millions of people have to be persuaded that it is suddenly a good idea to buy shares in a company which they may have cheerfully ignored for the past 10 years.

So the Government and its advisers have come up with an elaborate marketing strategy, aimed at creating maximum public interest in the issue and encouraging the belief that it is "one to go for," like all the other recent privatisations.

Of the £7.5bn worth of shares to be offered, about 55m worth

will constitute the sale of the Government's remaining 31.5 per cent stake in BP. The other £1.5bn worth will be new shares issued by the company to raise funds for its development. The prospectus will come out in mid-October, and the offer will close towards the end of that month.

Small investors will not be the only targets of the share offering. UK institutions will also be heavily involved; and well over 30 per cent of the shares will be offered overseas. But the overseas allocation will be reduced if UK demand is heavy, and the Government has made it clear that this is very much an issue aimed at widening and deepening share ownership among small UK investors.

The biggest incentive for the private investor will be the discount to the market price at which the shares will be offered. The structure of the offer has not yet been divulged, but it seems likely that it will resemble a dramatic increase in the discount for small investors, less generous arrangements for the institutions.

Whatever the size of the small investors' discount, however, it is unlikely to be as



large as the premium to which other recent privatisation issues have gone. The Government is therefore investing heavily in a marketing operation to stimulate interest in the issue and is also lining up other incentives to encourage people to apply.

The advertising campaign will be launched in newspapers yesterday and begins on television today. It is unquestionably aimed at the unsophisticated investor, with slogans such as "Now for the big one" and "Be part of it." It invites

people to register with the BP share information office and will run in different forms throughout the next two months.

In addition, some nine million people on the share registers of other companies will receive a direct mailshot telling them about the share issue, and all BP's 4,000 service stations will be handing out information packs. The idea is that no one in Britain will be unaware that the share offer is on its way.

On the other hand, if people are being encouraged to

register with the share information office by an ingenious arrangement which promises preferential treatment in the allocation to those who register by a certain date. This will not only motivate people to take an interest in the issue, but will also help N. M. Rothschild, the merchant bank advising the Government on the launch, to gauge the likely response in advance.

Payment for the shares will be made in three instalments, so entry costs will be low, and the effective premium and dividend yield on the partly-paid stock will be enhanced.

Other incentives, too, are under consideration. There will be cut-price dealing commissions as in the British Gas issue—and possibly stocks such as cut-price petrol coupons.

But the Government may need all these incentives, and more, if the issue is to be seen away safely. The recent falls in the London stock market have had a sobering influence on the attitudes of small investors. They may not be keen to participate in further privatisation issues if the value of their existing shares has been heading firmly downwards.

## Choices set out clearly

Eric Short reads a book which helps to explain how the new pensions work

IF YOU were looking forward to seeing a top Government minister in your local Civic Hall explaining the virtues of the new pensions changes and the wonderful new opportunities available then you will be disappointed.

John Moore, the Social Services Secretary, has decided there is little political mileage in stomping round the country

explaining the new world designed by his predecessor Norman Fowler.

The Department of Health and Social Security this week released a book, *Choices*, by Norman Fowler's grandiose plans for a countrywide road show extolling the 1986 Social Security Act.

However, this does not mean that the Government does not care whether you understand the situation. After all, it has a strong vested interest in making sure new pensions provisions work.

The public is not likely to be left in ignorance about the new situation. The life companies and other pension providers, together with the intermediaries who see to their information campaigns are likely to be far more forthcoming than anything the DHSS would put forward—if it were not for commercial reasons.

The Government has taken the more sensible course of backing up these campaigns. Although it has not yet said what support it will offer, its efforts in publishing changes in social security have taken the form of tombstone advertisements in newspapers and magazines.

However, employees who will have to decide how to use their new freedom of choice in pension arrangements to ensure an adequate retirement income.

Doing nothing will mean that you will be in the State Earnings-Related Pension Scheme (Serps) by default. For any man under the age of 50 (45 for women) that would be the worst decision.

We will be setting out the choices available and the factors that need to be taken into account. However, for employees who want to start their deliberations early, the first book on the subject aimed at informing the individual, rather than the intermediary, is published this week.

Your New Pensions Choice, is written by an accountant, John Wilson, and a pensions actuary, Bryn Davies.

The language and style is easy for the layman to follow, as far as the pensions legislation will allow. It has been said more than once that it is the legislators, rather than the actuaries, who have



made pensions complicated. The first part of the book explains the new situation—details that have to be established before one can get down to the nitty gritty.

The second part sets out clearly the choices facing an employee, questions to ask employers what they are doing about the new situation, and questions to ask salesmen trying to sell personal pensions.

Employees are going to ask one question: "What is likely to give me the best deal?" The authors endeavour to set out what factors will enter into this question. But the diagrams are complicated to follow and a far more meaningful presentation could be made using computer graphics.

The book was produced before final details of the new pension legislation were unveiled before the life companies have unveiled their personal pension plans. And the authors have overlooked the impact of the financial services legislation on the new pensions world.

A second edition is in progress and I am tempted to recommend that individuals wait until this is published. The authors are trying to cover all aspects of the new situation, including the new Free Standing Additional Voluntary Contributions available from October. But with hindsight, they could have waited, since the Inland Revenue has virtually aborted these contracts.

Finally, the authors should consider a more lively form of presentation, breaking up the words and diagrams with illustrations.

The book can be obtained from major bookshops, price £2.00 or direct from Policy Publications Ltd., 17, Scarbrook Rd, Croydon, Surrey CR0 1SQ (tel 01-886 9141).

## Opportunity UK

LEGAL & General's new investment package, launched this week has the message "we're backing Britain"—words that should cheer the politicians and trade unions.

The message could also have included "we're backing life bonds"—something to brighten the lives of intermediaries who still market bonds in the face of ever-growing evidence and publicity that unit trusts are a better deal for investors.

However, on closer examination one might almost accuse L&G of misrepresentation under the Trades Description Act. Its new fund, unlike others launched this year by other life companies, is not backing British industry as such.

The British Opportunities fund will invest in UK companies that are in a potential take-over and merger situation, or in new share issues.

Still, investors should not cease to show interest in this stage. These special situations or opportunity funds—rare in life bonds but very common in unit trusts—have performed exceptionally well this year.

The fund is being launched to mark the 10th anniversary

of Legal & General's Unit Assurance Company—one of the first established traditional life companies to go fully into the unit-linked field.

John Mann, L & G's unit assurance manager, uses the usual arguments to support bond investment—free switching and the ability to take a regular income from a capital growth-oriented fund.

Minimum investment is £1,000 but there are the now common extra allocations for higher investments before the end of the year on a sliding time scale—the earlier the investment, the higher the extra allocation.

Investors can use the fund on its own or split the investment with the Managed Fund in the Triple Benefit Bond.

Sun Life Unit Assurance should earlier this year that bonds can be sold if the sale is linked to a special occasion. Its Anniversary bond pulled in £220m—a record for a bond launch. Legal & General is hoping to match this achievement.

E.S.

## Loan rates vary

BAD NEWS for homeowners. The Mortgage Corporation, which previously had been offering one of the most competitive mortgage rates, has decided this week to put up its rate from 10.1 to 11.1 per cent, reflecting the full recent rise in the bank base rate.

The mighty Halifax Building Society also confirmed that it was leaving its mortgage rate for existing borrowers, which had been due to come down on September 1, unchanged at 11.25 per cent—the same rate now being charged to new borrowers.

But even worse is the possibility of a further rise in mortgage rates, if the stock market fears of another increase in interest rates following the poor money supply figures prove justified.

The Halifax said any further movement in base rates would affect the future cost of mortgages, but it was keen to avoid any further widening in the differential between base rate (currently 10 per cent) and its home loan rate (now 11.25).

Some building societies are known to be keen to widen the gap, and improve their hard-pressed profit margins, but the Halifax emphasises on narrowing the differential suggests it wants to remain competitive with other lenders, such as the banks and other financial institutions who are stepping up their activities in the mortgage market.

Meanwhile the first building societies to increase their investment rates for savers, following the base rate increase, are coming forward.

Cheshire Building Society is offering 9.25 per cent on deposits of over £25,000 and 8.50 above £10,000, with a 60 days' notice of withdrawal to avoid loss of interest.

For smaller savers, National and Provincial have put up its rates for 90 days notice and monthly income accounts. The rate on the 90 days notice account is up from 8.25 to 8.50 per cent, while the monthly income rate rose from 8 to 8.20 per cent.

"VERDICT OF the market." That was the reason for the decision by National Savings last week to scrap income indexed bonds. Public demand for the bonds was not forthcoming; there were only 2,300

investors putting in some £25.5m—equivalent to about a week's business in National Savings income bonds.

The problem with income-indexed bonds, which were introduced in November 1985, was that they offered protection only against the effect of inflation against income, not against the capital investment.

At the same time the basic interest rate offered at 8 per cent gross (only 5.6 per cent net) was uncompetitive, even though it was adjusted each year in accordance with inflation as measured by the Retail Price Index.

It was essentially devised as a "10-year" investment plan with an interest penalty if you withdrew in the first year. The minimum investment of £5,000, and three months' notice of withdrawal without loss of interest, meant that you had to be convinced that inflation would seriously undermine your income to be attracted to the bonds.

As it happens inflation has been fairly low low since 1985, and investors have evidently considered there are much better interest-paying opportunities elsewhere. So National Savings decided it was no longer worth offering something that was of little attraction in the highly competitive savings market.

FOR INDIVIDUALS, employees and other people interested in finding out more about the new pension legislation, National Savings is launching an explanatory booklet and setting up a telephone inquiry hotline.

John Finan, general manager of Pearl's UK Home Service, on deposits of over £25,000 and 8.50 above £10,000, with a 60 days' notice of withdrawal to avoid loss of interest.

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If you want more information, phone (01) 430 1955.



## The outlook for Britain is bright. Baillie Gifford's new smaller companies trust could reap an exceptional harvest for you.

The new British Growth Unit Trust from Baillie Gifford gives you the chance to invest in Britain's most promising companies. There has seldom been a more attractive time to invest in the future growth of our economy. Because for the first time in years, Britain is on a firm financial footing. Inflation is under control. Our industries are a shrewd investment.

Now that we can compete on equal terms with foreign companies, we look forward to a sustained period of rapid and dynamic growth. Foreign investors, particularly the Japanese, are looking more and more at Britain as a shrewd investment.

Yet this rosy outlook doesn't yet appear to be reflected in the value of our Stock Market. In particular, in the wealth of small and medium-sized companies.

### PICKING THE BEST OF THE CROP

Baillie Gifford recognises the investment potential of these dynamic companies. Research has shown that over a long period small companies have tended to be better

investments than large ones. This is partly because they are growing from a smaller base, and partly because management priorities are more closely linked to those of shareholders.

BG British Growth will combine newly listed companies with a selection of established businesses which have the potential to expand rapidly. Close to 25% of the fund is likely to be invested in companies trading on the Unlisted Securities Market.

In total, a portfolio designed for growth. Like our own UK Exempt Unit Trust which invests in a broadly similar range of shares for institutional clients.

Between its launch date in March 1984 and 1st June 1987, the offer price has risen by 287%. The FT Actuaries All Share Index has risen over the same period by a mere 109%.

**SUNDAY TELEGRAPH SMALLER UNIT TRUST GROUP**

Baillie Gifford have funds under management totalling over £2,000 million. Our first five unit trusts were launched in October 1984, after nearly 75 years as investment managers.

Three of these funds are among the top ten

in their respective sectors over the two years to 1st August 1987. In our first two years of managing unit trusts, our expertise and success earned us much remarkable accolades. Like the Observer's Best Newcomer in 1985. And last year the Sunday Telegraph Smaller Unit Trust Group Award.

**SOW NOW, FOR SUSTAINED GROWTH**

BG British Growth Unit Trust has been designed to offer long term capital growth, rather than income.

We will do this by investing in companies that show prospects of extraordinary growth over a similar period.

Distributions will be made annually in February.

Do remember though, that the price of units and the income from them may go down, as well as up.

To invest in the BG British Growth Unit Trust, simply complete the application form below and send it, with a cheque, to Baillie Gifford & Co. Limited, 3 Glenfinlas Street, Edinburgh EH3 6YY.

**BRITISH GROWTH UNIT TRUST**

To Baillie Gifford & Co. Limited, 3 Glenfinlas Street, Edinburgh EH3 6YY. Telephone orders may be taken on: 031-224 6066.

I/We wish to invest £..... in the BG British Growth Unit Trust.

(Min. £500 and multiples of £100 thereafter) I am/We are over the age of 18.

I/We enclose a cheque payable to Baillie Gifford & Co. Limited for units at the offer price applicable on the date of your receipt of this application.

Signature(s)..... Date.....

(Joint applicants should sign and give details separately) FT 228

### IMPORTANT INFORMATION

The trustees of UK Exempt Unit Trusts are authorised to write and receive a "wide range" of investment orders on behalf of the investors.

The minimum investment is £500 and units may be bought or sold normally on any business day at a price calculated on the basis of the value of the fund at the end of the day.

There is an initial charge of 5% and an annual charge of 1% (plus VAT), calculated on the value of the fund. Both charges are taken into account when calculating unit prices. The trust deed allows the trustee to raise up to a maximum of 1.5% (plus VAT) providing the Manager gives 3 months' written notice to unitholders.

The Royal Bank of Scotland plc is the trustee of the UK Exempt Unit Trusts and holds all investments and cash on behalf of unitholders. The trust deed may be inspected in normal business hours at the office of the Manager, Baillie Gifford & Co. Limited, 3 Glenfinlas Street, Edinburgh EH3 6YY.

Baillie Gifford & Co. Limited is a member of the Unit Trust Association.















## FINANCE &amp; THE FAMILY

## Dons do it better

LAST WEEK I outlined the management principles which have achieved satisfactory results for my college's portfolio over the last 34 years:

- The fund would be kept fully invested;
- The fund would be widely spread;
- Changes in investment would be considered only once a year;
- No attempt would be made to predict movement in share prices.

The results so far have been consistently good, showing better returns than would have been available had the college invested the equivalent amount in the FT 30-share index.

This week we take a closer look at how the portfolio performed in the year ending June 30 and the decisions taken at the college annual review.

Income from our unit rose by 10 per cent compared with the previous one, and its end-year value rose by 34.4 per cent. These results were broadly in line with general experience. We always find it interesting to compare the total return—income plus capital gain—from £100 invested in our unit at the start of the year with that for the FT index and the All-Share. This year we beat the FT fairly easily (total return 39.6 per cent against 34.4 per cent), but we have failed to beat the FT in only seven years out of 34. But we were well behind the All-Share (45 per cent), and we always do a crude analysis of the reasons for differentials in performance.

For 1986-87 the cheering feature was that our UK equities did rather better than the All-Share, with a total return of 47.1 per cent. We lost because, in the interest of "spread", our portfolio included modest holdings of North American equities (where in sterling terms the return was only 23 per cent),



as well as fixed interest (15.3 per cent). Our performance on these compared well with results for the sector in question, but in 1986-87 it would have been better to stick to British equities.

There was, of course, an enormous variety of price-movements for the individual equities which made up our portfolio in July 1986. The table shows the seven best and worst performers (in sterling terms).

The temptation to try to predict price movements can be seen from the calculation that if in 1986 we had sold the seven losers and spread the money over the seven winners, the value of the 1987 portfolio would have been raised by nearly £1.5m (on £22m).

This year's list provides us, indeed, with a rather special encouragement to stick more strictly to our principles. LAMSO, the top performer, had been bought in May 1986 as a very exceptional departure from the rule against purchases during the year. Last year's review showed that the price had fallen, and call options were written which led to the disposal of the whole holding at a respectable profit—but lost us the enormous gain which retention would have brought.

At this year's meeting there was general agreement that the relative prices of shares and bonds make it seem desirable, in the long run, to increase the very modest proportion of bonds in our portfolio. In 1983 we decided on 100 per cent equities, because in those days the traditional "yield gap" meant that equities gave a higher initial income.

We were confident in our expectation that this would rise in money terms, whereas bonds yielded a fixed money income. When a substantial reversal in the yield gap became established, we did not feel the same conviction about the superiority of equities on a long view.

The principle of not trying to predict price movements led us to include some bonds, but the proportion has usually been small. Index-linked bonds were also attractive for ensuring a guaranteed real income.

The committee also had to face the question of how much the college should borrow, in order to have a larger portfolio than its own wealth could cover.

The principle of not trying to be too clever has restrained our actions, but with a highly seasonal cash position on the educational operations of the college it seemed consistent with that policy to aim at a zero cash balance in the flush month, and a fluctuating overdraft at other times.

But we allow ourselves discretion not to borrow if we are uneasy about short-term price movements for securities, and we decided that 1987 was a time for only modest borrowing.

Our more important decisions consisted, therefore, of the following:

- Complete sales of our two investment trusts which invest wholly in Japan, because we reckon the prices of Japanese shares to be so high in relation to profits that they must be rejected as glamour stocks. (We have made no enormous profit on these trusts).
- Partial sales of various shares which had appreciated so greatly that they exceeded our normal maximum. With a few "tidying-up" sales, our total disposals came to about 6 per cent of the value of the portfolio.

• "Topping-up" purchases to raise the value of certain holdings into our new range for "normal" size.

- Purchases of index-linked stocks and assorted commercial loan stocks which in each case represented about 3 per cent of our portfolio.

## Dividends withheld

My son and daughter are beneficiaries of a trust declared by my late husband in his will. Dividends from the family business were declared in the annual accounts for the years ended 30th September 1979 and 1980 totalling about £5,000 and were not paid into the trust as the business was going through a sticky patch.

The latest annual accounts have now been presented by the auditor and I am surprised to find that the dividends due have been "written back". The financial position of the company is still not good but I am not happy about simply "leaving" the dividends.

May I add that although dividends were not paid for the year ended 30th September 1979, directors' fees were paid to the tune of about £10,000. If the dividends have been declared then the shareholders are entitled as of right to be paid the amount of the dividends declared. Therefore, if the trustees hold shares in the company they can require the dividend to be paid to them, and as trustees they have a duty to the beneficiaries to insist that they are paid. They cannot forego the dividends and then replace an equivalent amount out of their own pockets.

## Row over shares

In March my stockbroker sent me a contract note for some shares which I had ordered. They were rising rapidly so I decided to keep them. Three weeks later I sold them at a profit of 50 per cent.

My broker now repudiates the contract note; he says that I never paid for the shares. This is unclear because he was, for no obvious reason, slow at settling another group of shares in the same account. (They have still not been settled in full.) I did not receive any statement of my account after the unsolicited purchase and simultaneous sale of shares. I assumed that when this eventually came it would show the purchase offset against the other sales, and the balance would be returned to me.

The two sides to this are very clear. I did not order the shares. On the other hand I did decide to keep them. Only one would have expected to pay out if the eventual sale had been at a loss. The sum involved is considerable. Is the matter worth pursuing?

In law the contract note would, in the particular circumstances, have amounted to, at the most, an offer by the broker. Unless you can claim to have made a positive acceptance of that offer, there is no contract between you. It seems that you did not communicate to the broker your decision to keep the shares. Accordingly there is no contract, and the broker appears to be in the right.

## Compulsory purchase

My local council has been making inquiries concerning land and property which I own and has decided to make a compulsory purchase order on it. It is considering developing my land and buildings for light industrial and recreational purposes.

My tenant has occupied the land and buildings at a peppercorn rent since about 1950 for his headquarters, as a civil engineering contractor with bulldozers and other numerous equipment. Recently, my tenant completed plans to develop his own land which adjoins mine, without planning permission. The council strongly objects to this development, and is also making a compulsory order on him.

Although the council has endeavored to find an alternative site for my tenant's requirements, not one of the other sites offered has pleased him. I gather that the district valuer will only offer a nominal price for my property, as it has no vacant possession. How can I maximise my assets? As your "tenant" pays no rent he has no security of tenure. You should accordingly serve on him a notice determining his licence or, alternatively, his tenancy at will and, requiring him to vacate the premises by a reasonable period. You should then ensure that he leaves either by agreement or under a court order.

## Nothing but excuses

Forced to retire for health reasons, I asked my accountants to put my small private company into voluntary liquidation. Before doing so we collected

every penny due to us and paid every known creditor in full. Two years later our accountants—retiring partners—were still coming up with excuses why the matter has not yet been finalised.

What is a reasonable time for what appears such a simple operation?

There is no reason why the company should not have been placed in liquidation as soon as you retired (creditors having then been paid). You should peremptorily require your accountants to comply with your two-year old instruction.

## No tax on the farm

As I have not lived in England for over eight years, I am free from Capital Transfer Tax. I am unsure whether I will be taxed in any way if I buy my son a farm for approximately £250,000.

I have one son and one daughter living in England. Could I give them each £50,000, and then £50,000 each next year and be clear of tax that way? Assuming you are domiciled outside the United Kingdom (it is not clear from your letter whether that is so), you would not become liable to Inheritance Tax on gifts of property outside the UK. Thus, if you make a gift of money to your children in Tenerife, no tax would be payable under English law, however great the sum involved. There would be no particular merit in staged payments of the kind which you mention. You must avoid buying property (land or shares) in the United Kingdom and then transferring that property to your children.



No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

## Abolition confusion

In 1976 business premises were purchased for £12,000. In November 1983 these premises were sold for £53,000. In March 1986 the Chancellor abolished all capital gains of a purely inflationary nature made since 1982.

In view of the sale predating the budget by four months but in the same fiscal year, does the deal have full CGT liability or liability only after indexation (RPI) relief?

We regret you are under a misapprehension that all capital gains of a purely inflationary nature have been abolished. The position is that where a sale is made subsequent to April 6 1985 the indexation allowance can be based on the value of the property at March 31 1982.

This indexation allowance is then added to the cost of the property and the total deducted from the proceeds to arrive at the chargeable gain.

The rates bill hurts

We purchased our property as council tenants under the "Home ownership scheme" approximately four years ago. We have received service charges from the council which include general cleaning, lighting, gardening, management charges, etc., and water rates separately. Being first time buyers we thought that covered everything until we joined a leaseholders' association when we learnt about general rates.

something we have never had. My question is, as the bill will be for 4-5 years, what amount are we legally obliged to pay or what amount are the rates people obliged to recover?

If you property has not appeared in the rating valuation list at all, you cannot be required to pay arrears of rates before the year in which a proposal to enter your property in the list is made (ie, the current year). If the property was listed but the rate not demanded, it seems that you may be asked to pay up to six years' rates. In your particular circumstances however it may be possible to argue that there is an estoppel by convention which enables you to insist on rates being treated as being included in general service charges for the years prior to the current year.

## Foreign holdings

Under Inheritance Tax Law "If a person is domiciled abroad, the tax usually applies only to property situated in the United Kingdom."

Does this ruling include shareholdings such as say ICI if they are in ADR form in North America—as opposed to being on the members list held in the United Kingdom by the registrar of the company? The better view is that the shares are located outside the United Kingdom where the register which is kept outside the jurisdiction is not a duplicate of the register kept in the United Kingdom and the share certificate can readily be sent to the location of the register which is outside the United Kingdom.

## CHESS

Canadian No. 1. The group sharing sixth prize included Michael Adams, 15, scoring his third international master result.

Short lead from the start, and it was soon clear that his only real danger was a late surge by Speelman. The holder was not in best form, but the decisive game still proved remarkably brief.

White: N. D. Short. Black: J. S. Speelman.

Modern Defence (Kleinwort-Griesevon British Championship 1987).

3 P-K4, P-KN3, 3 P-Q4, P-Q3, 3 N-B3, B-N2, 4 B-K3, P-QB4, 5 P-QB4, N-KB3, 6 P-R3, P-N3, 7 N-B3, O-O, 8 B-QB4, N-B3.

White has a wide choice of formations against Black's all-purpose Modern Defence 1 P-KN3. Short has met it in several important games such as the 1985 interzonal play-off, as his choice here represents his idea of White's optimum piece placement. Black's last move is a mistake, since the knights are targets for White's pawns; better B-N2.

9 P-KN1, N-K1, 10 B-B4, N-B4, 11 B-QB4, P-B4, 12 Q-P4, N-P4, 13 O-O, R-N1.

Also dubious, putting his rook on the diagonal of White's bishop. B-N3 should still be tried, though White has a significant space advance.

14 P-P, N-P3, 15 N-Q5, P-K3?? Probably Speelman meant to sacrifice the exchange for

counterplay by 16 N-K7 ch, QxN; 17 BxN, Q-R2; 18 BxQ, QxR and missed the simple reply. Instead N(4)-N2; 16 N-K5, B-Q2 averts immediate disaster.

16 BxN, Resigns. If QxR; 17 N-B6 ch and 18 QxQ, while otherwise White emerges a rook up.

London Bank 1987 begins this afternoon at the Park Lane Hotel, London. Entries include nine grandmasters and some 50 British juniors with bank scholarships. Play is 1.15-7.15 until August 31.

PROBLEM No. 685

BLACK (5 men)

WHITE (6 men)

White (playing as usual up the board) mates in three moves at latest, against any defence (by E. Brunner, 1937).

Solution Page XV

Leonard Barden

## Weekend Business

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The content, size and publication dates of the surveys in the Financial Times are subject to change at the discretion of the Editor

## BRIDGE

CONGRATULATIONS TO Sweden for winning the European Championship, but congratulations also to Great Britain for finishing second, so securing their place in the World Championship, which is being held in Jamaica.

Here is a hand (G.B. v Poland), in which Forrester and Brock put up a great defence to defeat the Swedes. Dealer North, Love All.

N  
♠ 10 8 6  
♥ 5 4  
♦ J 5 4  
♣ A Q J 9 7 5 4  
W  
♠ J 9 5  
♥ 10 4 3  
♦ J 10 6 2  
♣ K Q J 10 9  
E  
♠ 10 4 3  
♥ K 8 7 4  
♦ 8 5  
♣ K 10 6 2  
S  
♠ A K Q 8 6 2  
♥ Q 3  
♦ A 7 4 2  
♣ 3

In the closed room Jeremy Flint made four spades after the heart king—the Merrimac Coup—and this sealed declarer's fate. He took with dummy's ace, tried to cash the ace of clubs, but West ruffed. A good lead by West, and a far-sighted return by East.

In the Ladies series, won by France, declarer came third. Here is an interesting defence against Spain. Dealer, East, game all.

N  
♠ 10 8 6  
♥ 5 4  
♦ J 5 4  
♣ A Q J 9 7 5 4  
W  
♠ J 9 5  
♥ 10 4 3  
♦ J 10 6 2  
♣ K Q J 10 9  
E  
♠ 10 4 3  
♥ K 8 7 4  
♦ 8 5  
♣ K 10 6 2  
S  
♠ A K Q 8 6 2  
♥ Q 3  
♦ A 7 4 2  
♣ 3

South opened with one heart. North replied with two clubs. South rebid two diamonds. North gave preference with two hearts, and South went three no trumps.

Sandra Landy led the club seven, which already attacked the declarer's lines of communication. South won in hand, and played the heart queen. West won and returned the 10, but another club by I, think, better as it forces South to run clubs before she has learnt much about the hand.

On Yvargraph North opened with two clubs (Precision). South replied with three spades, North rebid four clubs. South said four diamonds, which West doubled and North's four spades ended the auction.

Despite his double of four diamonds, Brock sitting West led his singleton club.

Now the ruffing finesse does not work for East can duck the club queen. West ruffs, and switches to a heart. But the declarer rightly finessed the queen, and Forrester won. It looks all right to return a club, but this gives the contract. South can ruff with the spade queen, and play ace, king, and another trump. With the favourable break, he wins the diamond return, crosses to the heart ace, and makes an overtrick. Forrester, however, led back

## the heart king—the Merrimac Coup—and this sealed declarer's fate. He took with dummy's ace, tried to cash the ace of clubs, but West ruffed. A good lead by West, and a far-sighted return by East.

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N  
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♥ 5 4  
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♣ A Q J 9 7 5 4  
W  
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♥ 10 4 3  
♦ J 10 6 2  
♣ K Q J 10 9  
E  
♠ 10 4 3  
♥ K 8 7 4  
♦ 8 5  
♣ K 10 6 2  
S  
♠ A K Q 8 6 2  
♥ Q 3  
♦ A 7 4 2  
♣ 3

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E. P. C. Cotter

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Christian Tyler on Budapest spas and piano bars

## Hungarian rhapsodies

SITTING in a hot pool in Upper Pannonia, the north-eastern corner of the Roman Empire, it is easy to understand how the legions were eventually defeated. It was not by the Barbarians on the other side of the Danube. They were overtaken by gallant legions.

Through successive invasions—Mongol, Magyar, Turkish, Hapsburg and Soviet—the inhabitants of the Roman province now called Hungary have retained their addiction to soaking in thermal springs.

Every time they drilled for oil, the Hungarians came up with hot water. In Budapest they have reconciled themselves to their good fortune, and queue up after work to pay 40 forints (about 50p) for a good soak and perhaps a game of chess in one of the city's spas.

Nakedness is a great leveller—perhaps the last in what is still officially a Socialist country. Are these distinguished elderly men, sitting up to their necks in hot water, communists or dustmen? It is impossible to say. Stripped of their uniforms, they look at the same time anonymous and oddly familiar.

Surely that's Sir John Gielgud over there under the spouting lion's head? And that looks like Lord Goodman in the corner. To my right Jimmy Durante is talking quietly to a knot of friends.

All at a sudden, the loungers are treated to a spectacle. The man on the far side who has been whispering to his younger companion for the past 10 minutes leans forward and deliberately kisses him on the neck and lips.

The bathers' faces tighten in disapproval, but no one protests, no bouncers are summoned. Is this really Communist eastern Europe? It is the last time I went to Budapest. It was by collapsible canoe, paddling downstream from Germany with a friend and fellow student, Andro Linklater. We were aiming for the Black Sea on a budget of \$20.

We lived on a campsite, ate goulash and cold rice pudding, saw the Berlin circus perform at Lunas Park, watched an interminable film of Kodaly's opera *Jarys*, and met a beautiful girl called Ilona Kis (or Kis Ilona, as the Hungarians will have it) on the paddle steamer to Mohacs on the Yugoslav border.

This time the vehicle was a Hungarian Airlines Tupolev jet from Heathrow and the companion was my wife. We stayed at the Gellert, a magnificently faded, old-fashioned hotel in Buda whose panelled corridors are permeated with the warm smell of the spa underneath. We ate goose liver pate and wild boar in privately-owned restaurants and drank socialist champagne for \$3 a bottle.

Budapest had changed a lot in 20 years. Despite Hungary's present economic plight, the city was jammed with traffic (not least because the Chain

Legrad, a basement room in Magyar utca (street), but expensive at about \$16 a head.

The Kis-Buda on the other side of the Danube in Frankel Leo utca, where artists and intellectuals eat and the pianist plays everything from Johann Strauss to Errol Garner, is a wonderful night out for a third of the price.

Serious music is, of course, a basic industry here, and the nightly output of opera and concerts is almost as great as London's. Franz Liszt's first academy, on Nepokostarszlag avenue, is now a museum housing his Bösendorfer grand (for everyday use) and his two Chickering grands from Boston, the first iron-framed pianos.

In a brief visit, one must pick and choose. Castle Hill is an obvious starting point, if only for the curious pharmaceutical museum at the Golden Pheasant, for Queen Elizabeth of Hungary's favourite coffee-shop, and for the imaginative but controversial Hilton-in-a-monastery.

However short your stay, it is worth saving half a day for the Danube Bend, a region of rolling hills where the river turns sharply south from the Czech border. This is a Germanic enclave whose foothills are crowded with villas, some of them little bigger than doll's houses.

On the cliff at Estergom, overlooking Csechovszavakia and the eloquent remains of a bridge blown up in World War Two stands the cleverly-restored fortress of King Stephen, who was crowned in 1000 AD. The fortress is overshadowed by the gross neo-classical basilica of the Hungarian archbishopric.

But the showpiece of the Danube Bend is Szentendre (St Andrew), an artists' colony of yellow and red ochre houses and some churches—three Roman Catholic, three Serbian Orthodox and two Protestant.

## Weekend Breaks

Bridge was closed for repairs, the stores were stocked with an unexpected variety, antique shops had sprung up, there were credit card signs in the windows and part of the city centre had been turned over to pedestrians.

There were air-conditioned tourist coaches from West Germany and Italy, and modern hotels had risen on the Pest side of the swollen river. The yellow taxis still clanked nostalgically past, the tzigane bands played in every restaurant, but the peddlers' stalls with their panellied saloons and red plush seats had disappeared.

You can find piano bars and chorus girls in Budapest, but the city goes to sleep early and it pays to plan the evening.

The boisterous and colourful Matyas Palace restaurant by the Elizabeth Bridge is the tourists' favourite. Although grander is the elegantly furnished

is the elegantly furnished



William Glendon on the versatility of a compact little cruise ship

## Good things in tiny packages

THE LITTLE crowd of tourists watching us being brought ashore by motor launch seemed unusually fascinated, and clicked their cameras as though we were VIPs. Yet their rapt attention, we discovered, was all a mistake.

No, we were not guests aboard some super-yacht. Our vessel may have looked like one but we explained—it was just a cruise ship.

Still, the error was understandable. Big luxury yachts are more commonplace at the south shore of Puerto Banus, on the Costa del Sol than cruise ships. But at only 4,755 gross tons, the little Ocean Islander is smaller than some million-tonne yachts—small enough to get into or close enough to interesting harbours that normal-size holiday vessels have to avoid.

Puerto Banus was our first call on a nine-day voyage from Malaga to Tilbury that included a fascinating mix of ports large and small. Even at the bigger ones our ship's compact size enabled us to step ashore right in city centres—not the usual taxi ride away.

Cádiz, not on most cruise itineraries, was a good example. Columbus on his second voyage to the New World could not have had to walk a shorter distance than we after his last drink ashore there. The ancient city centre was just five minutes away from our berth, and the red light district about the same.

Calling here allowed many of our passengers, less than 200 in all, to take a day-long excursion to Seville, while others made the short hop to the sherry of Jerez.

The small-is-beautiful versatility of the Ocean Islander showed itself more fully when we steamed into the heart of Bordeaux wine country—40 miles up the River Gironde from the Bay of Biscay. Only a ship as small as this could cruise these shallow tidal waters between the vineyards, so that our progress was more a case of sailing wine-dark lands than seas.

The real joy was being able to tie up in the centre of Bordeaux itself, directly in front of its grand 18th-century buildings. It was almost like berthing beside the Houses of Parliament.

Our experience was not, perhaps, quite so splendid in the major Spanish fishing port of Vigo, or even in Lisbon, although being in the shadow of Lisbon's mighty bridge was impressive. But in both cases we had an easy stroll to the shops and sights.

All of which proved a huge relief to our largely American passengers whose lust for shopping was matched only by their dislike of walking. That they should step ashore in Europe at all was a relief to the ship's operator, Ocean Cruise Lines.

Like other shipping companies it suffered last year from the mass desertion of Europe by Americans fearful of bombs and hijacking. Now they are flooding back again. Strangely, it is the British and other Europeans who are

proving more reluctant now-days. There were just 15 from the UK aboard when I sailed, but then the Ocean Islander is less well known to Europeans than to Americans, who cruise the Caribbean in her in winter.

This will soon change as she becomes a regular summer visitor to Europe. Much of her time will be spent cruising the Baltic and Norwegian fjords, with the occasional linking trip between there and southern Europe via Tilbury.

On our north-bound cruise from Spain, some passengers were fearful that her virtues as a small ship would be offset by being sickeningly tiny for the open Atlantic and Bay of Biscay. Yet she proved as stable as a duchess in a rose garden.

At 31 years of age she is mature, but not wrinkled. In fact she is well-maintained and spotlessly clean. Aesthetics is one thing, however; not getting



bored is another. The Ocean Islander would seem to be at a clear disadvantage in offering shipboard fun compared with the giant floating seaside resorts of 15 to 20 times her size now being introduced.

Considering that she has only one main lounge-bar, a small disco-bar and a restaurant (two sitting), she copes amazingly well. Indeed, her daily entertainment programme was as good as that of much larger ships.

Somewhat the ship squeezes in a tiny casino (blackjack and slots), a minuscule library-cum-card room, an equally small health centre (sauna, massage and fitness machines), and a shop.

Deck areas are adequate for sunbathing and strolling—with a small pool included—and there is a maximum of 250 passengers.

Deck officers were Greek, the purser and cruise staff British, and the stewards from around the world—over 20 nationalities all told. They made the ship's port of registry, Nassau, Bahamas, seem even more inconsequential.

Ocean Islander offers a one-day southbound cruise over much the same route, but ending in Tenerife, in October this year. Fares from £710 for a two-berth cabin including return flight to Britain. For a shorter (week-long) cruise in northern waters, prices are from £750 for a two-berth including flights to and from Copenhagen. Ocean Cruise Lines are at 10 Frederick Street, Stanhope Place, London W2 2HD (tel: 01-723 5557).

UPFRONTWIRE, be advised that the Beverly Wilshire Hotel is located at 9500 Wilshire Boulevard, directly across from Rodeo Drive, in the heart of Beverly Hills, an independent little city in its own right that is tucked, like a glittering slip, into the juiciest segment of the Big Orange itself: Los Angeles.

With a location like that, the Beverly Wilshire is at the centre of things—and thus an excellent base from which to explore the splendid, sprawling, spangled megalopolis (more than 2,000 square miles) of L.A. whose beaches, mountains, culture and chutzpah make a far deeper impression on visitors with eyes to see than the famous irritations of smog and traffic-clogged freeways.

In a city where mobility depends almost entirely on the car, you can actually walk from the hotel into the Golden Triangle: the wedge of pricey boutiques and spacey salons formed by Wilshire and Santa Monica Boulevards and Rodeo Drive. (The salespeople on Rodeo can be intimidating, but don't let them best you. You could be another Howard

Hughes, for all they know). More strategically, the Beverly Wilshire is roughly equidistant between the coast and L.A.'s rehabilitated downtown area. As a result, a 10-minute drive will get you to the Getty Museum (not to be missed) at Malibu, upcoast from Santa Monica; or to the magnificent Norton Simon art collection, or Huntington Library (gallery plus gardens) in funky Pasadena; or to the recently-opened Museum of Contemporary Art (MOCA) at Bunker Hill, in central L.A.

"Not everyone loves the new downtown," says Los Angeles magazine even-handedly. "But whatever one's viewpoint, Bunker Hill is a fascinating visionary urban scene on a huge scale."

The only way to tackle L.A. is to hire a car. Again, don't feel

This week: The Beverly Wilshire Hotel

## Laid back in Los Angeles



Touch of class

intimidated. "To drive (the freeway) at all well requires a certain class, bordering on abandon," says one guidebook, which is slightly overdoing it. Persevere and you'll soon be shuttling along Pacific Coast Highway, or the San Diego Freeway (no, it doesn't go to San

Diego—it takes you from the San Fernando Valley to Westwood, Beverly Hills or Long Beach) like a veteran.

At the end of a day spent crisscrossing L.A., the Beverly Wilshire is a nice place to be. Initially, it looks flash. There is a lot of Carrara marble, while the two wings of the hotel are on either side of a small private street, El Camino Real, that is decked out with "pale blue imported granite cobblestones and signifying true elegance."

Inside, it is a mixture of styles, from Spanish-Mexican to "Avant-Garde modern." But it is a comfortable hotel that is intimate despite its size (it has 453 rentable units, including suites and townhouses) and much more friendly than many

American hotels. There is an entire floor of "champagne suites," each named after a different French champagne.

In late 1985 the Beverly Wilshire was bought for \$125m by an investment group headed by the Hong Kong-based Regent International Hotels, one of whose trade marks—in Australasia, the US and Far East—is superb staff training and back-of-house programmes.

It's the small things that make a hotel exceptional. At the Beverly Wilshire an important feature is Brentano's Bookstore, a marvellous treasure house that leads directly off the lobby. The hotel swimming pool is a copy of Sophia Loren's pool, and is kept at a constant 82 degrees. And there is a masseur, Ko Takata, whom Vogue declared to be the best in the US. Though sometimes frigidly

air-conditioned, the Cafe of the Pink Turtle is a pretty swish coffee shop.

● The Beverly Wilshire's telephone is (213) 275-4222. Toll free: (800) 421-4354. Cable: BEVSHIRE. Telex: 213-574-2851. Regent International's US and Canada toll free number is (800) 545-4000. In London: (01) 245-6161.

Daily room rates range from \$125-\$250. Suites \$250-\$300. Extra person: add \$30. Also add room tax and Beverly Hills licence tax. There are special weekend deals, such as the Romantic Interlude, \$450 for a two-night weekend based on double occupancy, tax included.

A limousine will pick up guests free of charge, from the airport. For conferences and receptions there are eight function rooms, seating from 10 people to 1,200; facilities include audio-visual equipment and dressing rooms.

Michael Thompson-Noel

Stuart Marshall deplores bad manners

## Motorway madness

IF YOU think that all too many of the present generation of British drivers are ill-mannered and aggressive, just wait until you see the next one.

That seems to be the dispiriting message of a Gallup study commissioned by the General Accident Insurance giant in a bid to find out what children—the drivers of a few years hence—thought about their parents' performance at the wheel.

The children are of two minds about it. On the one hand, most of them reckon their parents are good drivers, but they go on to list a catalogue of their bad driving habits.

These include speeding on motorways, braking too sharply, and rearing back overtaken (one in four parent-drivers does so), along with parking on yellow lines (one in six) or on the pavement (one in seven), and jumping the queue in traffic jams (one in ten). The youngsters also spoke of parental intolerance of learner drivers and of their own spouse's motorist habits.

Who will disagree with the comments on the findings of the survey by Dr Bryan Lask, head of the department of psychiatric medicine at Great Ormond Street children's hospital? "What an appalling example we are setting the future generation of motorists," he said.

Equally alarming is the fact that half the nine- to 12-year-olds questioned about road

safety said they were not especially worried about crossing busy roads on their own. And 69 per cent of all the children said they had received more road safety advice from other adults than from their parents.

As few parents nowadays seem to feel they have any responsibility for helping their offspring to learn to read or write, I suppose one should not be surprised that they are content to leave life-saving road safety instruction to others as well.

Driving habits are, of course, only a reflection of society at large. It is no good expecting people to adopt higher standards just because they are in control of a potentially lethal machine. But the comments of the children interviewed are revealing. We can only hope that they will take as little account of parental example as they do of parental advice on more general matters.

"Usually, he (a father) is going about 90 mph. And if there is a police car in front my mum says it is the first time she has known him to do 60 mph all the way." That was a teenager in the 14-16 age group. And: "He always tells us to watch out for police cars," said a 12-13 year old.

Some more comments from children between the ages of nine and 16 were: "The only thing that worries me is that dad never puts his seat belt on and I have to tell him to do

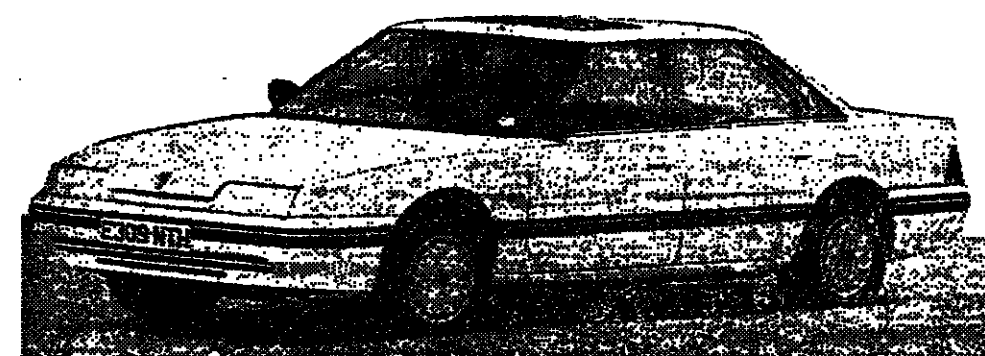
so." "He drives too close. If he sees a little gap, then he will try to get in it." "My dad does not like being overtaken so he burns people up on the motorway."

Fathers who shout and swear at other road-users seem to cause their offspring embarrassment. There are also plenty of comments about the motorist's war of the sexes—"my mum can drive but she hardly ever does because my dad moans at her," and "My mum sometimes drives and... my dad... starts moving the wheel for her and then they get into an argument and stop the car and dad drives."

Long car journeys are not the joyful affairs the car makers' advertisements would have us believe. Children's pet hates are feeling or being sick, being cramped in the back seats, suffering parental smoking or having to put up with parents' choice of music.

On the positive side, the children seemed to think very little of motorbikes. They liked the idea of riding one and they saw them, correctly, as being more dangerous than cars. For perception, I award one anonymous nine-to-11-year-old an alpha-plus. "I think they are dangerous," this youngster said. "They are smaller than cars and... they'll get hurt more than the cars and they have not got anything to protect them... except the crash helmet of the people who ride them."

One so clear-sighted should go far.



A PAT ON THE HEAD FOR ROVER

THE MORE I drive Rover 800 series cars, the more I like them.

The international media launch in Switzerland more than a year ago was a bit of a disaster. Not all the pre-production cars we were asked to drive were fault-free. And thrashing a car up and down mountain roads does not necessarily highlight the features that will appeal to business users.

Last autumn, however, a 2.5 litre V6 engine Sterling automatic — it is currently selling like hot cakes in the US after rave reviews there — carried my wife and me to the Paris show in great comfort.

I have just been living for 16 days with the 4-cylinder, 2-litre S20Si (pictured). This costs £14,165, with 5-speed manual gearbox, against the Sterling's £19,045. The price includes a lot of nice things for which one pays extra on some German competitors — a glass tilt-and-slide sunroof, high quality radio/stereo tape player, electric mirrors and windows, for example.

The 16-valve engine pulled hard and smoothly at low revs, so that third or fourth gears were fine for most traffic driving. Fifth is high enough for fast cruising to be relaxed and economical. I averaged 27 mpg (10.6 l/100 km) for a motorway/London mix and the Rover did not mind lead-free fuel.

Ride comfort was very good, the seats are large and well shaped and the interior decor combines modern design with traditional Rover understatement. The boot is large, but take care how you put things in it under the parcel shelf is a mess of wires, clips and the business end of two loudspeakers, just waiting to scratch a new suitcase. This should not be missed in a car of this class. All it needs is a compressed fibre cover to conceal all the sharp edges.

In our self-draggelling way we Britons are reluctant to believe that a "British Leyland" (actually, Austin Rover Group) car can be any good. As former chairman Harold Musgrove said at the 800's

launch, a British manufacturer's products have to be better than imports before the public perceives them as equal. Even if a car performs beautifully, we start questioning its reliability.

Having driven the car only for a week or two, one cannot sensibly comment on reliability; but reports are encouraging. Lex Vehicle Leasing, with a fleet of 20,000 cars and light vans, has had extensive experience of Austin Rover. Lex says better dealer training and support has improved their reliability sufficiently for monthly payments for those on hire contract with full maintenance agreements to be cut.

The only fault I could find with my latest Rover was a lazy electric window in the driver's door caused, it seemed to me, by an over-tight weather strip. If I had a Rover that performed as well over the months as mine did for ten days, I would rate it one of today's better executive car buys.

S.M.

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## Personal

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## Legal Notices

No. 003434 of 1987  
IN THE HIGH COURT OF JUSTICE  
Chancery Division, In the Matter of  
CENTRAL & SHEPHERD  
PUBLIC LIMITED COMPANY  
and in the Matter of the Companies  
Act 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated the 27th July 1987 confirming the reduction of the capital of the above-named Company from £2,500,000 to £3,000,112.32 and the cancellation of the Share Premium Account of the Company and the Minutes, approved by the Court and showing with respect to the capital of the Company as altered the several particulars required by the above-named Act were registered in the Register of Companies on 8th August 1987. Dated this 14th day of August 1987.

BERNARD LEIGHTON  
of Adelaide House,  
London Bridge,  
London EC4A 3HA  
Ref: 1122  
Solicitors for the above-named Company



## DIVERSIONS

Oliver North's testimony exposes US activity in Central America. His ancestor also features in Nicaraguan history. Peter Ford reports

# Desperado with a mission

CIVILIANS flee in terror as a volley of gunfire shatters the midnight calm: a mortar explosion shakes the earth; flames lick through Nicaragua's third-largest city.

A daring attack by the US-backed contra guerrillas fighting the Sandinista government? No, this time it's not for real. Hollywood has come to Granada to recreate an earlier epoch of US-Nicaraguan hostilities.

The film, directed by Englishman Alex Cox, tells the story of William Walker, an American adventurer who captured his countrymen's imagination in the middle of the last century by leading 57 fellow mercenaries to the conquest of Nicaragua and declaring himself president.

Walker, the 19th century filibuster with a penchant for action and a disregard for diplomatic niceties is now but a dimly remembered shadow in American history books—his claim to current fame is that he is an ancestor of Col. Oliver North. He was feted as a national hero in his day, "the grey-eyed man of destiny," as one newspaper dubbed him, who could see that in Central America "there are principles involved that reach beyond the mere checks of diplomacy."

In Nicaragua, he remains an arch-villain. The Sandinistas, who have welcomed the film-makers, hope that the film reaches the mass audience it is designed for, the American public might learn why they see their current bloody war against the "contras" as a continuation of the fight against Walker.

The son of a Scottish immigrant who had settled in Tennessee, William Walker embarked on several professions as a young man, throwing over his shoulder for law, then law for journalism by the time he was 28. He was cast into a black depression by the death in a cholera epidemic of his dear-mother, and sought escape through ill-planned unofficial expeditions in 1853 to annex the Northern Mexican state of Sonora for the United States.

After a year of being chased

around the desert by Mexican troops and Cocopa Indians, he finally dragged himself back across the US border. There, he surrendered himself and his three dozen fellow survivors to the American army. Undispirited by this fiasco he cast about for new territories to conquer.

His eye lit on Nicaragua, which for several years had offered the most convenient route from the American East coast to the new goldfields of California. Rather than risk the backbreaking five-month journey through the Indian country of the United States, some 20,000 goldseekers a year were paying Cornelius Vanderbilt's Accessory Transit Co to

**'Wherever he went the grey-eyed man of destiny was hailed as a visionary conqueror...'**

take them from the Atlantic seaboard to San Francisco along its steamer and stagecoach route.

In return for exclusive rights to this route, Vanderbilt had promised the Nicaraguan government \$10,000 a year rent, and 10 per cent of net profits. He never actually paid the rent, however, and when the Nicaraguan government demanded its money, he claimed the operation was not making a profit. In fact, the company was making about \$2m a year profit, but the Nicaraguan government asked to look at the company's books, they were rebuffed.

By 1855, Nicaraguan politics had degenerated into chaos, with the Conservative government, based in the city of Granada, facing the rival claims

of a Liberal government established a few months earlier in the town of Leon. Since the Conservatives were threatening to confiscate his ships, for non-payment of dues, Vanderbilt decided simply to recognise the Liberals.

Walker, aged 30, set sail from San Francisco on May 4 1855 to help the Liberals. His 57 followers were a mixed bunch of ruffians and fortune seekers but they were armed with repeating rifles, the like of which the Nicaraguans had never seen.

Within six months, the band of American "immortals" as they called themselves, had seized the enemy stronghold of Granada. Col Walker had made himself a General, and a compliant Nicaraguan was found to take the titular role of President.

Recruits were promised free land in the fertile tropical lowlands of Nicaragua's Pacific coast and flocked from America to Walker's army. Other immigrants spread out from Granada to farm, trade, and pan for gold. Walker then arranged perfunctory elections, won them by a landslide, and declared himself President. English was made an official language, alongside Spanish, and Walker issued the decree for which he is most infamous in Nicaraguan memories: he introduced slavery.

He was proud of that decision. "Walker's administration should be judged by that decree," he wrote in the third person, "for it was the key to his whole policy."

"The wisdom or folly of that decree is a matter of opinion," wrote the American movement in Nicaragua: for the stability of the white race in the country depended on the re-establishment of African slavery.

Walker was never able to



General Walker: initiating Contra tactics

implement his decree—he was too busy staving off disaster. Even before assuming the presidency, he had sealed his fate by stripping Vanderbilt of his rights to the interoceanic route, and transferring them to two friends. In revenge, Vanderbilt suspended sailings to Nicaragua, depriving Walker of new recruits, who were sorely needed in the wake of a Central American alliance

between Costa Rica, Honduras, El Salvador and Guatemala, which had declared war on the American invaders.

Scourged by cholera and other tropical diseases, outnumbered by Nicaraguan and other Central American enemies, and regularly running short of ammunition, the "immortals" could not hold out for ever. After raising Granada and holding up for

months in the southern town of Rivas, Walker finally surrendered in May 1857 to a US man-of-war lying off the coast. He returned home a hero. Whenever he went the "grey-eyed man of destiny" was hailed as a visionary conqueror. Walker would not renounce his dream.

He made repeated efforts to raise a new filibuster force, and twice made it as far as Central America. A short-lived expedition to Costa Rica ended in yet another surrender to the US navy, and then he set off on his last adventure in 1860.

Seeking to attack Nicaragua from the north, through Honduras, Walker got mixed up in a dispute with the British. Britain was handing over the island of Roatan, which it had ruled as a protectorate, to the Honduran government, and Walker took the side of some disgruntled islanders.

He was soon run to ground, and surrendered to Capt Salmon of HMS Fearless. Salmon, however, immediately handed him over to the Hondurans.

The American press was outraged at this act. "It was on the faith of Commander Salmon's demand for a surrender to him as a British officer that Walker gave himself up," wrote the *San Francisco Chronicle*. "Commander Salmon had better resign the commission he holds, and seek employment in the pawnbroking or lottery policy, or some other business, which requires no exercise of honour or conscience. He is obviously out of place in the British Navy."

At his trial, Walker refused to claim the American citizenry that might have saved him. "The President of Nicaragua is a Nicaraguan citizen," he told the court. On a cliff overlooking the Caribbean, the Hondurans shot him. Now, 130 years later, director

Alex Cox, who made *Repo Man* and *Sid and Nancy* is trying to bring out the complexities of Walker's character in his film "Yankee Walker," inventing a character like Walker. Cox says, "He was much too incredible. He was a complete lunatic: a strong believer in slavery, a murderer, a pathological liar, a criminal..."

Making the film in Nicaragua, where shortages of everything are acute, has not been easy. Technicians used to gopping round the corner to the hardware store in Hollywood, or to ordering a new lighting fixture over the phone, had to plan all their requirements around one

**'He was a complete lunatic: a murderer, a pathological liar, a criminal...'**

weekly flight from the States. But shooting finished on time and none of the disasters that the film's backers had feared—and which prompted them to insist on a \$45,000 political risk insurance policy from Lloyd's—had come to pass.

Not that all the residents of Granada, where most of the film was shot, were entirely happy. The Bishop, for example, found the path of his traditional Holy Week procession blocked by the set in the main plaza, and for two months the town's life was thoroughly disrupted.

Electricity poles in the Plaza were torn down to make room for the scenery, leaving homes without light; other families were left temporarily without a telephone because the production needed their lines, and the government could not afford to install any new ones; the cen-

tral square was covered with several inches of earth, to give the scene an authentic 1850s flavour.

Cox chose to make the film here, rather than in logically simpler Mexico, in order to "show solidarity" with the Nicaraguan people. "Striding Must Survive" tee-shirt. Cox makes no secret of his political sympathies, and he is using the film to make some direct political statements about US intervention in Central America.

The screenplay is full of very anachronisms. In one scene, for example, an American prisoner is led away with his wrists roped together by a diminutive Nicaraguan, echoing the image of last year's captive of Eugene Hasencamp, the American fier shot down as he carried weapons to the "contras."

The film's message, of course, is the message that the Sandinistas have been trying to get across to the world ever since their revolution here in 1979: that the US has been meddling arrogantly in Central American affairs for many decades, and that the Sandinistas are simply standing up for Nicaragua's national sovereignty.

Walker's defeat has always been a source of pride for Nicaraguans: the fight against him is known as the National War, and the anniversary of the battle of San Jacinto, in which the allied Central American armies defeated the filibuster, has long been a national holiday.

By the time William Walker met his end, American newspaper editors who had idolised him were reconsidering. "People are beginning to doubt," Harper's Weekly conceded, "whether the regeneration of the Central American countries is to be achieved by lawless invasions by armed desperados, whose aim is plunder, whose instrument is the rifle, and whose principles are those of highwaymen."

The Sandinistas, looking at the current incarnation of US policy in this region, could hardly put it better.

## Archaeology

## Messages in sand

WALLOWING like hippopotamuses in the desert sand of the upper Indus valley in Pakistan shiny black boulders glisten in the sun. The Ice Age left them and for millennia they have caught the eyes of travellers, merchants and holy men journeying along the trails we know as the Silk Route. From the 3rd millennium BC to the 12th century AD, many stopped to carve inscriptions and designs on these rocks, as respite from the mountain ledges and sheer drops that were the dangerous reality of the route.

In modern times Sir Aurel Stein spotted the rocks and carvings in 1922, the year before he died. But in his time, the Karakoram Highway (the KKH), the remarkable road which crosses the Karakoram mountains and links Pakistan to China at the Kunjerrab Pass

(as high as Mont Blanc, and open to foreigners only since last year).

The Karakoram was never a part of British India. But it was the field of the Great Game (see Kim and John Keay's *The Great Game*), to be played in those mountains on the roof of the world where Pakistan, Afghanistan, Russia, China, and India now meet. It was, and always has been, a pivotal region of wide—if hazardous—connections. The links that the KKH now strengthens, such as those between Muslim Sindh and Moslem Pakistan, mirror the ancient links of the Silk Route.

The fantastic collection of rock carvings along the KKH does not include its name but there are the marks of many others who travelled the mountains. Since 1979 a team led by Professor Karl Jettmar of Heidelberg and Professor Ahmad Hassan Dani of Islamabad has recorded no less than

3,000 inscriptions and over 20,000 pictures on rock faces above ground. Still more wait to be found by digging the sand away, as I saw recently when the KKH inspectors (Till that happens, the sand preserves the carvings.)

Now at the Pitt Rivers Museum, Oxford, *Between Gandhara and the Silk Roads* (all September 21; and at the Royal Geographical Society in June 1988) exhibits the Pakistani-German work, with stunning photographs of the Indus, great mountains like Nanga Parbat, and the rocks and carvings.

The texts and designs both reveal a wide spread of people over a long period of time. Travellers and caravan men from west and east, maybe forced to wait by blocked passages, stopped by the boulders at the natural traffic junctions on the river and carved in Middle Persian, Parthian, Chinese, and Sanskrit. Sanskrit comes in several scripts.

A Hebrew text of the 9th century is the biggest surprise. Jews from Bokhara or Uzbekistan probably carved it, taking a chance to increase trade when the Sogdian merchants from the same region, having converted to Islam, went out of favour with the Hindus. Between the 4th and 8th centuries the Sogdians had been the chief entrepreneurs on the Silk Route. There are many texts of theirs. Some have the tribal name "Huns."

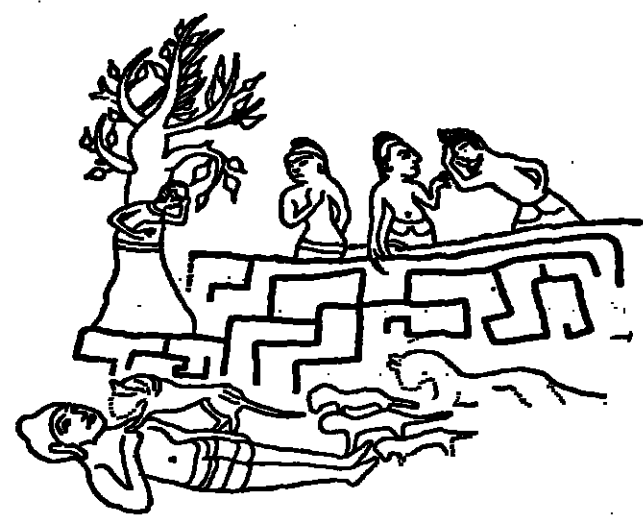
The menu is (like winemaking) under a French influence. It is—the phrase is not mine—the best kind of nouvelle cuisine, cooked and eaten in the open air. Beef is superbly smoked, not to keep it but to give it a flavour of barbecues even when it's roasts in a gas oven.

American soul-food things like black beans and sweet corn are lightly and smartly pureed and friend into tiny cakes. Peppers, green, red and yellow, find their way up from Mexico, along with their harsh and course ways and coming up sunny and fresh. Fish is Pacific of course.

Perhaps nothing shows the debt to France more than the fact that for our lunch in Grosvenor Square, they gave us a European meal of salmon in a rich buttery sauce, roast beef with veg, and figs and custard.

It was cooked by Pat Windisch—a young woman from California who looked like some piece of younger-generation Dynasty. The combined skills of cookery and menu-writing had this old gourmet's wit thoroughly confused.

It wasn't the old-fashioned American style of menu writing which used to blather on about morning-garnished, dew-



Buddhist rock drawing on the highway

Like the texts, the pictures were made by hammering the rocks, which produces a matt pecked beige designs that stand out against the shiny black rock surfaces. Aurel Stein called the technique "bristling."

Ideas brought from still further away, if they reached these mountains, were locked in to survive for centuries—and then appear unexpectedly elsewhere a long time later. Such a "reserved" in the Karakoram may explain the reminiscences of archaic Iranian art — of the time of Darius and Xerxes — in that of the Gandharan civilisation (1st century BC-4th century AD) in the flat lands of the Swat valley and the Kabul river basin below the Karakoram.

Gandharan art is best seen in the Peshawar, Saidu Sharif and Taxila museums. Superb deep carvings teach the life of the Buddha—in forms derived

from Greece. This long-distance spread of ideas, thanks not least to Alexander who reached the Indus in 326 BC, is mind-blowing.

The Buddhist rock pictures along the KKH do not confine up the Mediterranean in the same way, but they are as forceful in documenting the remarkable ability of men to spread beliefs—and trade—through some of the most intractable regions of the world. The Sogdian texts beside pictures of Buddhist stupas point to Central Asia, while crosses on the rocks near Gilgit mean that even Christians came. From the east came the Chinese with carvings of pagodas, and silk from that mighty beast, the silkworm. What hardships people endured for silk! And how glad they must have been to reach the boulders, and start hammering.

Gerald Cadogan

## Fresh thoughts

I USED to pronounce anathema against American fruits and veg, as representing the triumph of mass production over ability. Everything uniform, durable, handsome, colourful, very large and utterly without taste. I don't say you will suddenly find all that changed. But the skill and effort that went into producing these results—which were what the market wanted—can, given its head, produce variety and taste as well. It is a matter not of moral crusade but of market segmentation.

As is the way with American hotels, The Marriott in London's Grosvenor Square is having a Californian season until the end of the year, primarily designed to introduce us to some wines, but artfully throwing in some Californian cuisine as well.

Someone has cottoned on to the fact that for a little, artistic handwriting-style presentation, the market gardens of California provide just the right background for the high profit-ratio mysteries of nouvelle cuisine.

What gives California its edge over other aspiring regions like the Cote d'Azur or the Thames valley is its unrivalled bountiful supply of miscellaneous customers. What is Californian cuisine? What do you get?

The menu is (like winemaking) under a French influence. It is—the phrase is not mine—the best kind of nouvelle cuisine, cooked and eaten in the open air. Beef is superbly smoked, not to keep it but to give it a flavour of barbecues even when it's roasts in a gas oven.

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Food for Thought

moistened mushrooms and so on, although the whiff of illusion was still there. "It was the 'saled' of Napa Valley greens" which had me—in both senses. I liked the sound of that. I liked very much what was on the plate, fresh, lively varied and tasting good. Every leaf of it was bought that morning at New Covent Garden. What they meant of course was a Napa Valley style salad which is exactly what it was.

Had I been offered a Salade Nicoise I wouldn't have supposed that anyone was going to Nice to get the ingredients. Did I allow myself to think for a moment that a passing jumbo jet had dropped off a bag of Californian produce?

Peter Fort

## Collecting

## Hello, Norma Jean

MARILYN MONROE would have been 61 this year. What would she be doing today if she had lived? She might have aged gracefully to play mother roles opposite today's kiddie stars; or she might have married a politician and become a distinguished Washington hostess (Dem.).

Alternatively, it would have been quite in character for her to make the headlines by selling off her treasures, like the Bright Bird, to save the animals. Or, perhaps more likely, she would be living out her old age in the obscurity of some psychiatric institution: mental sickness was the sole legacy of her mother, the only parent she ever identified.

As it was, of course, she died young (or youngish: although at 36 she was at her most spectacularly beautiful) to become legend. Twenty-five years after her death in August 1962 she still lives, wonderful and unchanging, in her films—always the same sexy, vulnerable, naive, lovely being.

She can still bring a lump to the throat with some sudden, unguarded revelation of hurt, and keep you guessing whether her pusillanimous epigrams were wit or artlessness ("A career is wonderful but you can't curl up with it on a cold night").

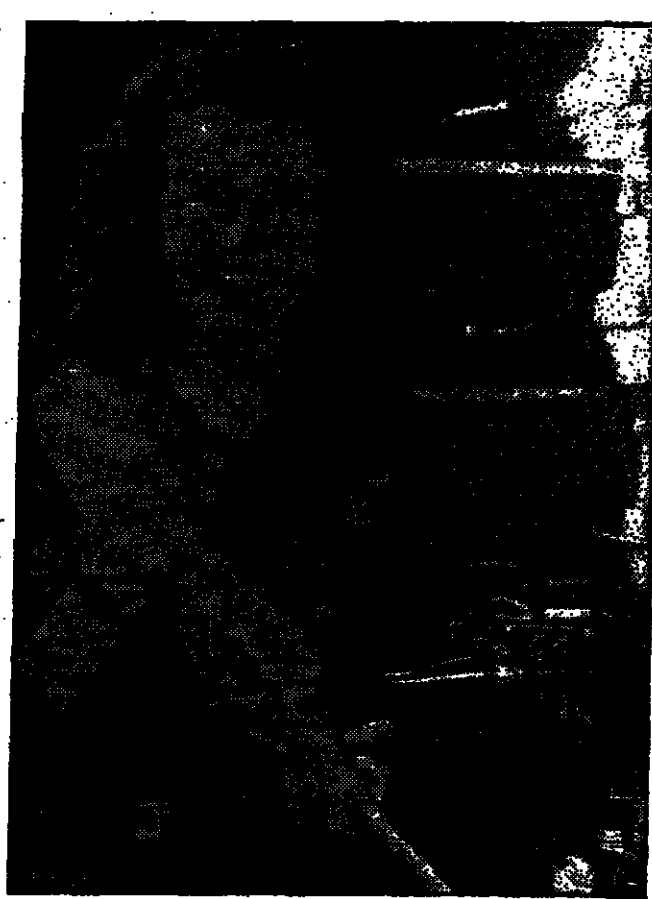
Part of Marilyn's fascination was that she was Cinderella. The untalented, unloved, stammering orphanage child became the world's sex symbol.

Her private frustration was that she never truly met her maker, although she tried hard. As she said: "It is this cross I must bear for fame—to be a love symbol and not to be loved."

The turning point in the story—the moment, as it were, when the fairy godmother materialised in Cinderella's kitchen—is recorded in a series of historic photographs that are to be seen along with their copyrights, by Christie's South Kensington on August 28.

The photographs were taken in 1945 by the late David Conover, who was then a 25-year-old private in the US Army's First Motion Picture Unit. The unit was an odd affair, known as Fort Roach since it was housed in the Hollywood studios where Hal Roach had made hundreds of knockabout comedies.

The commanding officer was Captain Ronald Reagan (whom Conover recalled having the idea of marching the unit down Hollywood Boulevard to publicise his latest picture). Others in the unit included Alan Ladd and Kent Smith. On June 25, 1945, Reagan, despatched to Conover to take some morale-boosting pictures of women in defence industries; and—keeping things in the business—Conover chose the Radiophone Corporation, which was run by the British actor Reginald Denney.



A star is born: Conover's first shot

more shots of her, wearing a sweater, during her lunch break.

In no time at all he persuaded her to accompany him on a fortnight's photographic trip through the Mojave desert. Conover took leave; Norma Jean told the factory she was sick. As Conover recalled the event more than 35 years later as a sober, elderly, twice-married man, it began as a strictly business even though they shared two motel rooms. Only later in the trip, it seems, did Marilyn seduce him.

Ironically, practically all the photographs taken on the trip were lost in the post. Arriving late back at Fort Roach, Conover would have been posted AWOL if there had not been an instant overseas posting to the Philippines awaiting him. With only hours to pack, he was obliged to despatch the negatives to another photographer.

After the loss, all that remained—and remain now at Christie's—were the photographs taken in the factory and a few left on an unfinished film in the camera. These, according to Marilyn Monroe's later recollections, established a portfolio that confirmed her potential as a model. With personal contacts Conover had given her, her career was launched. Norma Jean left her production line.

In later years Conover established an island resort and fulfilled his ambition to be a writer. He met the former child-woman called Norma Jean Dougherty. Having photographed Norma Jean at her machine, Conover took some

times when Marilyn was in trouble. No news, he found, was generally good news.

Conover watched the fluctuations of Marilyn's career, marital status and mental health. He worried when he felt she was keeping dangerous company ("I made it with the Prez") how she would succumb to her relationship with John F. Kennedy. To the end of his life (he died earlier this year), Conover was convinced that Marilyn's death was not suicide but that she had somehow been caught in the crossfire between Robert Kennedy, by whom she had become pregnant, and his political enemies.

The sombre finale of Marilyn's life seems far away in the 25 images of the 19-year-old Norma Jean now at Christie's. Only just recognisable with dark hair, she beams out with easy frankness and marvellous teeth. We can sense that the orphanage is behind her; that she has escaped from her oppressive childhood marriage; that someone is at last taking notice of her and encouraging the stubborn determination to fulfil her childhood dreams of getting into the movies. The pictures are charming as well as historic.

All but two of the 25 are quarter-plate colour transparencies and 15 of them have never been published. The rest appeared in Conover's 1981 recollection, *Finding Marilyn*. Christie's anticipates prices averaging around £1,000 an image; but higher sums would not be surprising for such evocative documents.

Janet Marsh

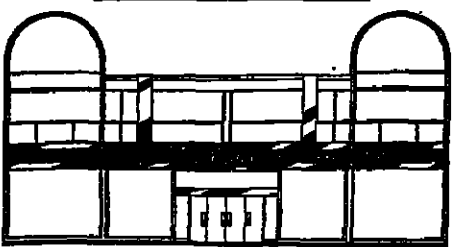
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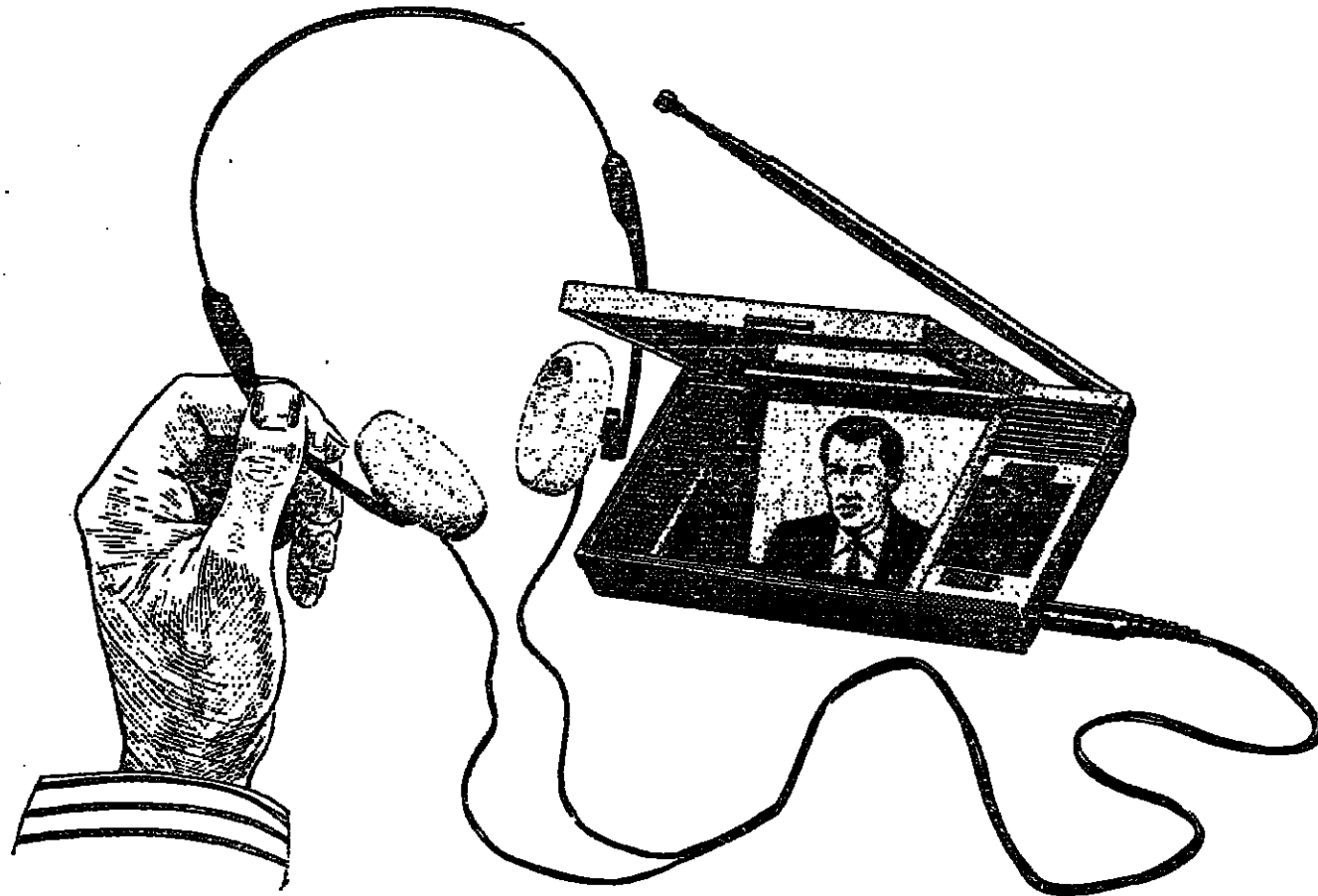
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Peter Knight on the pros and cons of pocket television

## Better than nothing at all

IMAGINE a concert audience all saying "Ssshhh" while 300 people scrape their fingernails on a blackboard. You can replicate the sound quite easily by trying to tune a pocket television set. It is called "white noise" and it's terrible.

This is just one of the many problems that affect small pocketable flat-screen television sets. Here are some more:

- It is virtually impossible to see Ian Botham's bowling average when it is flashed on the screen.
- Chris Evert's down-the-line forehand could easily be mistaken for a cross-court pass because you cannot see the ball.
- You have to watch one-and-a-half of everyone on screen because invariably there is a reception shadow.
- The picture is black and white.

However, pocket television is a lot better than no TV at all. You can (just) follow East-Enders while commuting, check the midday news from your desk, and keep track of Seb Coe while you are fishing.

Besides, the sets are fun and affordable, from around £60 up. Sony, Sharp, Casio and Citizen sell pocket (or "personal") television sets and there are still some Sinclair Microvisions available, although no more will be made. Except for Sony's Watchman, which is a small television set, the sets produce pictures on a flat liquid crystal display (LCD), similar to those used on pocket calculators and portable computers.

The TV screens are divided into tiny blocks (20,500 picture elements on Citizen's 3.5 in

screen) which form an image by producing dots in varying degrees of grey. The same visual principle is used to produce photographs in newspapers.

Unlike conventional TV tubes, LCD screens are flat and use less power, which means longer battery life and compact design. But LCD is particularly sensitive to light and gives a good picture only under certain conditions. Even then, it is far from excellent.

Casio, Sharp and Citizen overcome some of the LCD problems by reflecting the picture on a mirror. The actual screen, which is sandwiched between translucent plastic, produces a negative and available light which is directed through the screen and on to the mirror, producing a positive picture.

LCD sets resemble old-fashioned cigarette cases, both in size and operation. You open the hinged lid to about 45 degrees, revealing a mirror. The set, open towards you, is then pointed at the light, such as a window. The picture appears in the mirror.

The semi-open lid can sometimes obscure the view, but this arrangement overcomes the problem of watching television outdoors. Sunshine and excessive glare can dull the picture produced on a conventional television tube, but the LCD screens thrive on a lot of light — as long as it is from the right direction.

LCD sets produce their best pictures outdoors in bright light. Night-time viewing is rather more difficult because you have to point the sets at a table lamp or overhead light.

**Eureka!**  
MINI TV

Manufacturers have overcome this problem by providing lights that clip on the sets and shine through the screen — but these, of course, cost extra and consume more power.

While the sets themselves are small, the aerials need to be fully extended to get good reception, which makes the total package quite bulky in use. And basic models do not have speakers: headphones, or simple single ear plugs, are supplied. Citizen and Casio sell models which have built-in FM radio and speakers while Sharp offers a TV/radio/cassette player that works only with headphones.

Battery life is limited. The Citizen Big-3.5 in (199.95), which will work for about 10 hours under ideal conditions but far less if the backlight adaptor is used. Mains and car adaptors are available, though.

Citizen is hoping to introduce a colour set some time next year and other manufacturers have similar plans. But it will be at least a year before the next generation of personal TVs is available generally. We tested four sets that are in the shops now.

Casio TV-200 (£69.95). The

mat-black set will fit into a shirt pocket (22.5 mm x 108.5 mm x 63 mm) and weighs only seven ounces including batteries. Its 2 in screen gives a sharp but sepia-coloured image and it has to be used with an earphone. The controls are well-positioned and work easily.

Citizen Big-3.5 in (199.95). Under ideal conditions, the Citizen screen gives an impressive picture with excellent contrast. Unfortunately, you have to continually re-position both the set and the aerial to control picture quality. The volume, contrast and tuning knobs are well-positioned but a little too stiff and small to give easy control. The set also has a stereo FM radio and an adequate speaker. It is supplied with stereo headphones.

Sharp JC-AVIE (£228). A personal cassette stereo and radio with a 2.5 in LCD TV set. Sharp's combination gives adequate listening quality from the radio and cassette player but the television image is grainy and poor. The controls are

difficult to get a good picture. Sony Watchman FD-10B (119.95). Sony uses a conventional television tube, which means a bigger set and more power consumption. Although the picture tends to fray at the edges or dissolve when there is interference, the overall quality is much better than LCD (it is possible to watch tennis or cricket and to see the ball).

The FD-10B is an improved version of the original FD-2B and has a better speaker. Peter Knight is editor of FinTech 2 — Electronic Office.

## Victorian values

FOR footstools with a difference you need look no further than David Seyfried, at what he describes as the "wrong end of the Fulham Road," number 759, to be precise. Though primarily a specialist in 19th-century decorative furniture, so many of his customers came in asking for footstools that he realised there would never be enough genuine antiques to go round. He therefore decided to embark upon having them manufactured for him.

They all have a Victorian air about them. The wood is polished to the authentic dark Victorian brown, the castors are polished to look old. Once the frames are made, they are upholstered and covered in kelims, which come mainly from Turkey (a few come via Afghanistan). The result is genuinely attractive and useful footstools.

The kelims, needless to say, are not of the finest quality—it would be sacrilege to cut them up if they were. David Seyfried uses the good parts of worn or slightly frayed kelims. David Seyfried offers three

standard sizes: 40 in by 30 in by 15 in high, 40 in by 25 in by 15 in high, and 40 in by 18 in by 15 in high. These he sells for between £320 and £340, depending on the kelim chosen. He has a wide range of kelims to choose from, and will go hunting for special ones—longer.

if a client has a special pattern or colouring in mind. He will also have footstools made up in special sizes if the standard ones aren't suitable. Stock sizes usually take 10 days to be upholstered in the chosen kelim; special sizes take longer.

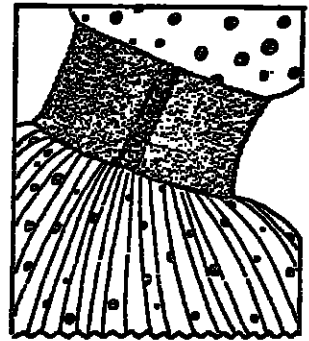


Lucia van der Post



INSTANT WAY to update an outfit this summer, add a cinch-belt. They make even the thickest waist look quite astonishingly slim. Choicest of all comes in plain black with strong black poppers like the six-inch-wide version sketched here (£3.99 from Boules, 23 St James Street, Covent Garden, London WC2).

There is also a big selection at Fenwick of Bond Street, London W1, where they come in varying widths and colours and can be fastened with poppers, hooks and eyes or buckles. There's a Superwide belt (eight inches wide, to be warned that it is quite difficult to sit down in, but looks very dramatic on the tall and skinny), with five poppers, £17.99 (p&p £1); and a six-inch wide belt at £9.95 in white or black (p&p £1).



IF YOU'RE tired of matt black cliche and long for a writing instrument with a little more glamour and romance about it, The Walton Street Stationery Company is selling hand-made glass pens that are enough to make even the least punctilious letter-writers long to put pen to paper. In glorious colours, mostly bright and jewel-like, the glass pens are much more than just utilitarian functional objects useful for writing out a mundane shopping list.

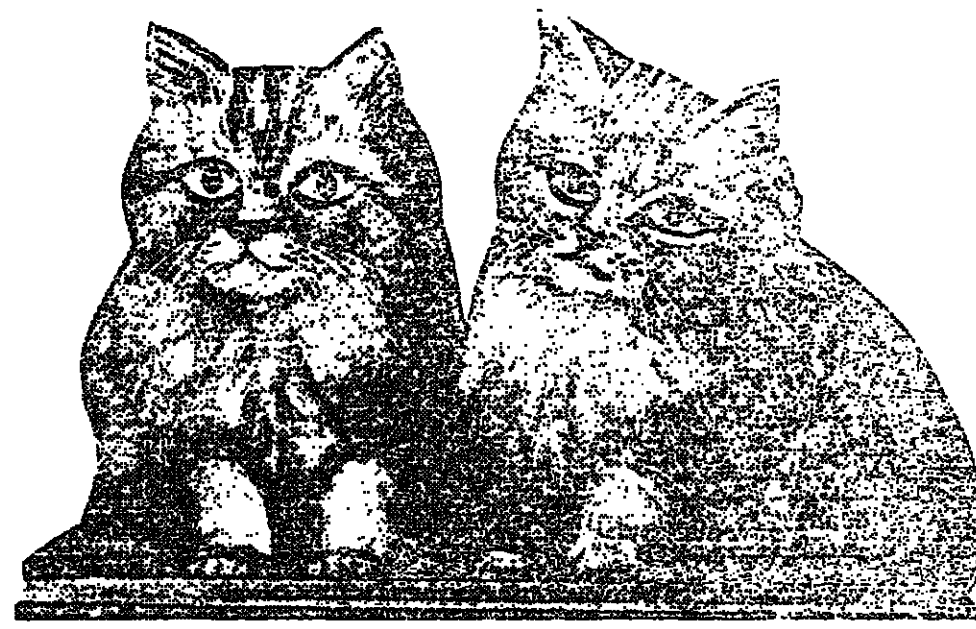
These are pens to write the sweetest of billets-doux, for

IN Victorian times fire-screens were *de rigueur*, the nudity of a bare fireplace evidently offended their delicate sensibilities. Replicas of cats, dogs or other cosy domestic images were often used, and these are sought-after antiques in the trendier antique shops. If you are tired of trying to track them down it is worth knowing that you can buy exceedingly good modern copies.

Naturally British of 13 New Row, by Covent Garden,

London, WC2, has persuaded John Butler, an artist who works in Glastonbury in Avon, to produce a whole series of these charming fire-screens. Each one is different, each is hand-painted on wood—they are mostly of cats and dogs and great bunches of flowers painted in suitably rich, dark Victorian colours. Prices for such one-off items seem to me to be good; the twin kittens model pictured here is £39.90 (plus VAT), and the larger flower scenes are

about £90. If you have a favourite pet John Butler can be persuaded to paint a likeness of your very own Fido or Moggie. For those whose tastes are rather more modern, another artist, Kate Morgan, paints fire-screens with a more up-to-date air about them. Naturally British always has a selection of the work of both artists in stock. You can order or make inquiries by telephone (01-240 0531).



penning urgent and dramatic declarations, for dashing off one's mightiest thoughts. If all that sounds a little daunting, they are delightfully simple to look at, bringing memories of old-fashioned, better-mannered days. In lots of colours, they are £27.95 each from The Walton Street Stationery Company, 97 Walton Street, London SW3.

REMEMBER Gillian Cutress' factory shopping guides to Derbyshire and Nottinghamshire, Leicestershire and Staffordshire? Encouraged by the success of the first three, Gillian Cutress has brought out two new ones (to Yorkshire and to the West Midlands and Worcestershire) and an expanded version of the guide to Derbyshire and Nottinghamshire.

For those who haven't yet caught up with factory shops they are a marvellous discovery that those who live near them couldn't do without and that visitors fall upon with delight.

They exist to sell off those goods that are slightly below par, slightly damaged or just plain out-of-date. Most are to be found close to the factory sites themselves and many of them open at erratic times—hence the need for a guide.

Gillian Cutress seems to have done her research thoroughly and anybody setting off for any of the areas covered shouldn't leave without a guide in hand. She will lead you to bargains in full lead crystal, in carpets, in porcelain, knitting yarns, fabrics, china and a host of other things you might either need or want.

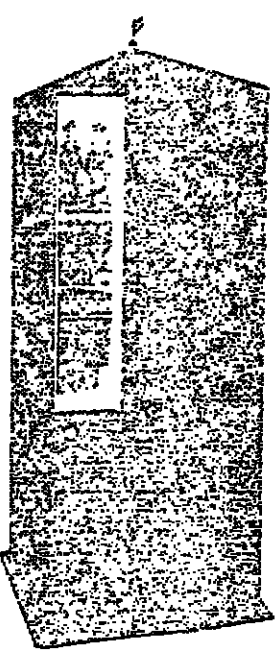
All the booklets can be bought by post from Gillian Cutress, 34 Park Hill, London SW4. Yorkshire is £2.25, as is the expanded Derbyshire and Nottinghamshire (which incidentally includes a list of farmhouses where you can spend the night and be served a traditional farmhouse breakfast next morning). West Midlands and Worcestershire, and Staffordshire (The Potteries) are £1.95 each while Leicestershire is £1.50. You should add 25p extra to cover postage and packing for each booklet.

IF YOU have ever thought fridges were visually unexciting (and who hasn't?) then take a look at what the Italian company of Zanussi has come up with—a fridge with a distinct look of the Post-Modernist about it.

It is, apparently, aimed at

So if you happen to have a good style-conscious post-modernist interior, it should be just the thing.

Needless to say, such styling doesn't come cheap: it costs £639.99, but for that you can choose from matt black, silvery metal, "stone" or "starry" (black and blue to those of us unused to such style-conscious terminology). It is 163.5 cm high, 60.5 cm wide and 65 cm deep. It is stocked by the first of Rumbelow's "homotech" electronic superstores, at the Greyhound Retail Park, Sutton Park, Sutton Road, Southend.



Jill Tilsley-Benham recommends aubergines

## Turkish delights

TURKISH COOKS have long been enchanted by the aubergine — indeed their passion for it could once have been described as all-consuming. Those horrific fires which used to sweep Constantinople, and leave whole villages in smoking ruins, travellers nicknamed "Aubergine Fires."

Their cause? Too careless a frying of that treacherous autumn treat, *pattizjan tavasi* — the frittered aubergine.

With the demise of wood-burning kitchen stoves, the aubergine fritter (although still with a risk of an inferno) is happily no more a threat to Turkish life and limb.

To make 4-6 helpings of *pattizjan tavasi*, peel 1 lb of firm,

shiny aubergines lengthwise, leaving alternate 1-in strips of skin in place. Slice as thickly or thinly as you like, sprinkle with salt and leave to sweat for 20 minutes or so. Rinse, squeeze out the liquid, and pat dry. Dip in flour, then in beaten egg, and fry in batches (plain or flour-dusted) in olive oil. When richly browned all over, drain on paper towels. Serve at room temperature with a sauce of beaten yogurt, flavoured to taste with crushed garlic and salt.

Alternatively, fry 1-in thick, flour-coated slices, draining as before. Have ready 4-6 crushed cloves of garlic and 4 tablespoons of wine vinegar. Wipe the pan dry with a paper towel, add 1 the garlic/vinegar and

allow it to bubble up. Cover the base with a single layer of aubergine slices, and cook a few minutes more. Spread these out on a platter, and repeat. Serve hot, or cold with warmed *pita* or French bread, as a starter, side-salad, or vegetable.

*Imam Bayildi* — "The Priest Fainted" — is another aubergine dish with risky associations. Its curious title was acquired, the classic story goes, when the priest in question collapsed on tasting it. The reasons given for this swoon are various. Some hold responsible the large amount of olive oil his wife had used — he being either tender of digestion or a niggard with his purse. Others, as smitten with this dish as I, swear that it was caused by an excess of pleasure.

So how to make an *Imam Bayildi* of the kind that has men falling at one's feet? I decided to ask a native of Bolu. Now Bolu, as anyone in Istanbul will tell you, is the traditional birthplace of Turkey's finest chefs. Legend relates that the sultans, charmed by the Arcadian feasts that crowned royal hunting expeditions there, carried the cooks responsible back home. The sultans' kitchens are no more, but descendants of those Bolu-vian wizards who ran them are still employed by the best establishments in town.

Necati Duran, for instance, cooks for the Istanbul Hilton — and it was this kind and talented gentleman who taught me how a truly stunning *Imam Bayildi* should be made.

Leaving the stems attached, peel alternate strips, as before, from a couple of 10-oz aubergines. Make one or two parallel cuts from end to end, piercing almost to the base. Press ends towards each other to open the slits, and dust liberally with salt, both inside and out. Allow to sweat for 20 minutes or so. Rinse, not forgetting the slits,



Anne Morrow

and squeeze hard to extract the juices. Dry well, then fry gently in shallow olive oil, turning evenly, until gold and cooked to the centre.

Meanwhile, halve lengthwise then slice across thinly 1-lb of smallish onions. Fry, together with a large clove of finely chopped garlic, in 4 tablespoons of olive oil. When these have browned a little, add 6 oz of skinned and roughly chopped tomato, plus 1 teaspoon each of salt, sugar, and coarsely ground black pepper. Simmer a few moments, then stir in a handful of chopped parsley and — optional but recommended — the same amount of green dill or a tablespoon or rubbed dry dill weed.

Arrange the aubergines in a baking dish, scoop out some of the seeds, and stuff with the tomato mixture, heaping any excess on top. Lay 2-3 thick slices of tomato on each. Pour 2 tablespoons of the frying oil and the same quantity of hot water in the dish, and bake in a hot oven for 10 minutes, or until heated through and meltingly tender. Cool, and serve at room temperature as a *mezzeh*, or starter, with warmed *pita*, wholemeal, or crusty bread.

Conjuring up irrelevant

images of Friar Tuck and other corpulent clerics, the purple, portly aubergine is also used for making *Karniyarik*, the aptly-named "Split Belly." A meat-packed main-course dish, this too was cooked for me in the Hilton's cornucopia of a kitchen where in the benevolent charge of executive chef, Anno de Vries, I studied dozens of Ottoman delights.

For *Karniyarik* then, prepare and fry four 1 lb, or two 1 lb aubergines as in the previous recipe, slicing each vegetable once.

Meanwhile, brown 1 lb chopped onions in 1 oz butter. Add 1 lb raw minced beef and/or lamb, 2 teaspoons tomato paste, 1 teaspoon coarsely ground black pepper, 1 teaspoon salt, and 4 tablespoons water. Simmer, stirring often, until brown and tender. Stir in a handful of chopped parsley.

Place the cooked aubergines in an oven-to-table dish. Scoop out some of the seeds, then fill loosely with stuffing. Decorate the tops with thick slices of tomato and green pepper. Just cover the base of the dish with water, and cook in a fairly hot oven until heated through and very tender. Serve hot with a rice pile.

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## BOOKS

## David Churchill on the great chocolate empires and their founders

## Melting it

**THE CHOCOLATE CONSCIENCE**  
by Gillian Wagner. Chatto & Windus. £19.95, 178 pages

THE BRITISH eat more chocolate confectionery per head of the population than in any other country—a consequence of the astonishing growth in popularity in the nineteenth and twentieth centuries for products made from the previously underrated cocoa bean. Those responsible for this upsurge largely came from three families — Fry, Rowntree, and Cadbury — who came to dominate (and still do) the British confectionery market. What sets them apart from many other examples of corporate growth emanating from Victorian industrial society was that all three families had long been Quakers, members of the Society of Friends.

Being a Quaker then — as now — is to most people synonymous with that elusive quality of "goodness", a style of living based on strong religious and moral beliefs that is the envy of many.

What fascinates Gillian Wagner, therefore, is how the chocolate barons of the Victorian era managed to reconcile the moral dilemmas posed by rapid industrial growth with the

principles and practices of the Society of Friends.

Her central conclusion, not surprisingly, is that the two were largely irreconcilable. In spite of the fact that Victorian Quakerism almost positively encouraged the pursuit of wealth. Dedicated entry into the academic, military, or political worlds, Lady Wagner points out that "it is little wonder that so many Quakers turned to business to find fulfilment and satisfaction."

Where the influence of the Society of Friends was clearly most able to be reconciled with the needs of corporate growth, however, was in the industrial paternalism that characterised the way the families dealt with their employees.

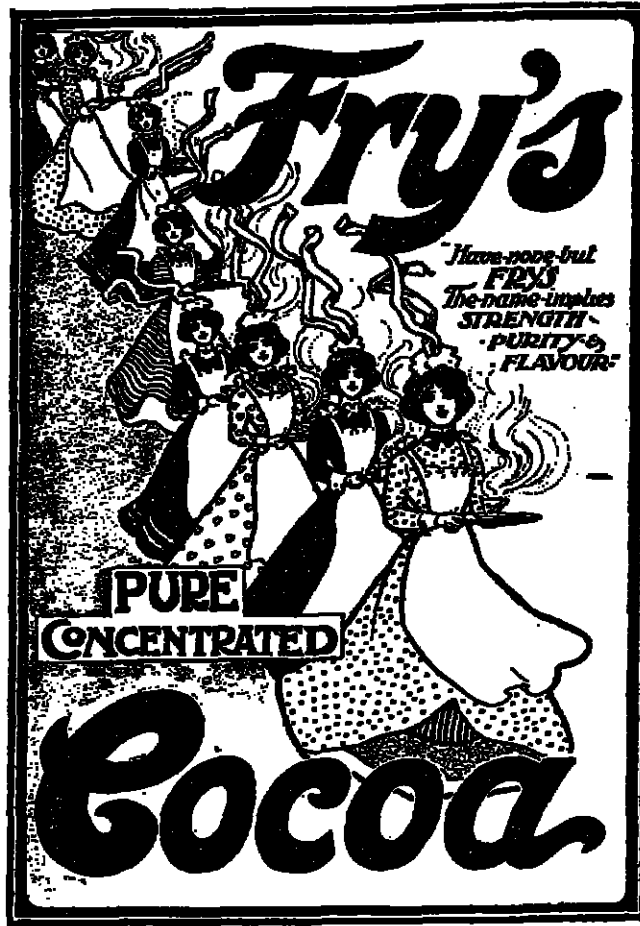
From the early days of Joseph Rowntree sharing his house with his apprentices, all three chocolate manufacturers "devoted a considerable amount of time to the physical and spiritual wellbeing of their employees."

This concern eventually came to be manifested in the model housing developments near Birmingham by Cadburys, and Rowntree's New Earswick site near York. When J. B. Priestley visited Bourneville while writing

English Journey he described the Cadburys as having long been "in the top class of the school of benevolence and paternalism." Priestley, however, was not entirely convinced that such paternalism was in the best long-term interests of workers since they could lose their spirit of independence and see their often monotonous work in the factory as an end in itself rather than as a means to an end.

The Cadbury and Rowntree families were less able to secure their Quaker ideals with their entry into newspaper proprietorships. Their dilemma, for example, over the publication of betting news in their papers led to much soul searching among the Quakers and the families themselves.

Cadbury, moreover, found themselves in the undignified position of having to sue a rival newspaper over allegations about "slave labour" in the cocoa plantations which the company won with damages of only one farthing. But it was the decision by Cadburys to shut the News Chronicle in 1960 with the loss of 3,500 jobs which was perhaps the final straw in the long struggle to yield influence in line with Quaker beliefs. Lady Wagner's detailed study



Art nouveau elegance comes to the aid of sales promotion in this early cocoa poster

of the chocolate Quaker families unfortunately falls short of telling us more about the struggle for market supremacy between the two companies (Cadbury had acquired Fry's in 1918) which took place between the

two world wars. More on these "cocoa wars" would have rounded out an otherwise fascinating account of the way in which Britain's craving for milk or plain has been satisfied all these years.

## Fiction

## Troubled era in Toronto

**THE DEPTFORD TRILOGY**  
by Robertson Davies.  
Viking. £14.95, 384 pages

**IN THE SKIN OF A LION**  
by Michael Ondaatje.  
Secker & Warburg. £10.95, 224 pages

**OVERHEAD IN A BALLOON**  
by Mavis Gallant. Cape. £10.95, 196 pages

**HER STORY**  
by Dan Jacobson.  
Andre Deutsch. £8.95, 143 pages

**TARABAS**  
by Joseph Roth. Translated from the German by Winifred Katzin. Chatto & Windus. £11.95, 311 pages

ROBERTSON DAVIES, a Canadian, is the natural heir of the now underrated humourist Stephen Leacock. Apart from many plays, he has written the three novels comprising the Saltford trilogy, the three now reprinted in one attractive volume as *The Deptford Trilogy* (published on Thursday), and a further novel, *What's Bred in the Bone*.

The purpose of the Saltford trilogy may be said to have been the satirical destruction of Canadian provincialism. For some it represented the continuation of the Johnsonian persona cultivated by Davies in newspaper articles, collected in famous books as *Samuel Marchbanks*. Others thought that the mantle of Johnson had been thrown aside in favour of that of Trollope. However that may be, the result was modest and delightful.

The Deptford trilogy is another matter. As a commentator put it, "high-toned critics have attempted to read into Davies' work some grandiose purpose." Alas, this led to his trying to make this work "significant," and, as has been well said, "blunts the sharp edge of his satire."

There is not all that much satire left, except in the growing voice of the narrator, a schoolmaster. Everything about it is good except its

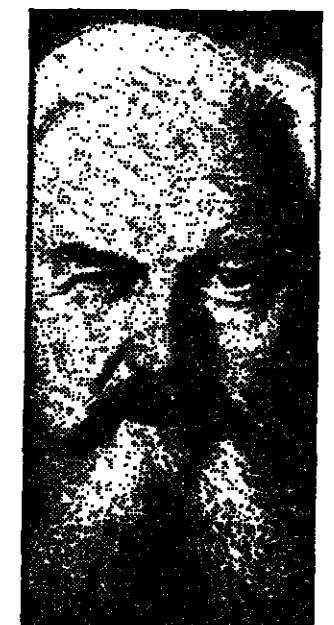
intentions, which swamp it: world myth, magic, Jungian psychology, God, the devil. But for its little vignettes standing outside this grand and pretentious theme, one will still go to it — and welcome its reissue in one volume.

Michael Ondaatje, partly Dutch and partly Tamil, was born in Sri Lanka in 1943, and eventually settled in Toronto, which is the background of his new novel, *The Skin of a Lion*. Essentially it is a naturalist novel about a great business but one written with an air of somewhat overcharged lyricism. Always good-hearted, it is sometimes overheated and a little solemn. But the story and the author's sense of it are excellent, and it is always readable and intelligent. One is bound to add, however, that in the light of Morley Callaghan's urban novels, still shamefully neglected, this does tend to pale.

When will someone reissue these in England? Mavis Gallant is a veteran Canadian short-story writer of impeccable credentials. Overhead in a Balloon contains stories set in Paris, where Mavis Gallant settled after giving up journalism and extensive travel. She is one of the most sheerly professional of all living writers, but unlike some of her peers, her professionalism never operates as sickness or heartlessness—as it did in the later stories of both O'Hara and Caldwell's excellent companion, Ethel Wilson. Irony and probing, above all stripping of her ambitious characters of their silly pretensions, she remains human and compassionate.

In the first substantial tale, "Speck's Idea," Sander Speck is a loathsome crook—but in the end, when he has been defeated, this does tend to pale. Gallant is writing at the top of her powers, she has never been better, and every conclusion of the short story will be grateful for this volume.

Dan Jacobson's *Her Story*, very different from anything he has attempted before, is supposed to leave us "initially too appalled," and then astonished to applaud. I am better pleased than he. But I should like to, for in fact the brief descrip-



Robertson Davies: Canadian sage

tion of it on the jacket leaves one with the gloomiest of forebodings. It is the reconstruction, made in 1936, of the life of a woman of the future (born 2007), who wrote a novel of the distant past. Such an exercise has to be good if it is not to sink under the weight of its over-ambitious intentions. And this does struggle free.

But it is overladen: there is not only satirical concern with the horrible procedures of the future — this is excellent — but also an attempt to do justice to the rich personality of Celia Dinan, the subject of the book. The end of the book has cured them of this fallacy, but at great cost. The narrative proceeds through a continuous assessment and re-assessment of the situation as it seems to them. They do not always read it inaccurately but these readings are constantly needing correction in the light of events, a procedure by which they shed their naivety and come to terms with the world as it is.

It is a book that is always playing tricks on us and presenting reality in false colours of our own devising. Brookner believes that a much more accurate picture may be gained from the masterpieces of European literature and painting if only we know how to interpret them correctly. She is not an eminent art-historian for nothing. Hence in each novel we are presented with a key to unlock the mysteries of the heroine in the form of some well-known text or painting.

In an earlier novel, *Wellness*, this key was Benjamin Constant's *Adolphe*, based on a catastrophic love affair he had with a young woman. In the light of Brookner's development since then we can see that this book is the model for all of Brookner's novels. She is aiming at making the same direct appeal to the reader

Martin Seymour-Smith

## Grown girls so lost

**A FRIEND FROM ENGLAND**  
by Anita Brookner. Cape. £9.95, 206 pages

CHATEAU BROOKNER has declared a new vintage. The "F" variety has the same fine qualities as the best of previous years and the same thick accumulation of sentiment in the bottle. This is a small wine: it does not have, as does its pretend to have, the grandeur of Tolstoyan burgundy or Stendhalian claret; nonetheless it has a distinct nose and plenty of hidden depth.

Somehow the language of the wine-sipper seems appropriate. Here is a writer who has staked out her field against all intruders, barricaded it with barbed wire, and tilted it assiduously against the sun. Such an exercise has an unmistakable distinction.

The distinction stems from the insight possessed by Brookner into the mind of the unsentimental female. Her heroines are of the highest intelligence and they possess uncommonly acute powers of observation but they suffer from a constant need for correction. That is, they think they are without illusions. By the end of the book life has cured them of this fallacy, but at great cost. The narrative proceeds through a continuous assessment and re-assessment of the situation as it seems to them.

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Anita Brookner: Interpreting the signs

showing in a prose glinting with aphorisms, in the galling manner how a life may be reduced to ruins.

In a friend from England the given key is Giorgione's painting *The Tempest* which shows a young woman feeding her baby while a violent storm rages in the background and a handsome cavalier looks on. The young woman's total indifference to everything that is happening around her while she fulfils her purpose mirrored by that of the heroine of the book, Heather Livingstone. We watch her true nature emerge as layer after layer of protective covering is peeled away.

When we first meet her she seems to be the dutiful daughter par excellence. Her doting parents, Oscar and Dorrie, envelop her in love and concern out of their new-found influence.

Rachel, who tells the story in the first person, sums up Heather thus:

In fact the woman she would become was not much different from the girl she already was, and there seemed no reason to suppose she would ever change or develop or move away from the family circle.

Rachel, whose own attitudes are under scrutiny as much as Heather's, could not be more wrong. By the end of the book a total reversal of roles has occurred. Heather has become a free spirit, Rachel a shattered woman, clinging to the straws of a kind of filial happiness that is all in the past. There will be a divorce, and Heather will be a many dinner tables as to how convincingly this transformation is effected. Admiration for the sureness of touch with which these two women and their little circle are brought to life is, I would guess, likely to be unanimous.

Anthony Curtis

## Talking heads

**THE MEDUSA FREQUENCY**  
by Russell Hoban, Jonathan Cape. £10.95, 143 pages

RUSSELL HOBAN's many fans will not want to miss this lively fantasy, the sixth of his adult novels. It is extremely well written; you never know where you might be next, nor quite why you are there in the first place. Classical figures, familiar to me from Virgil, weave their way through the highly-coloured story of a writer's search for inspiration, unhappy love and the problems of staying on one wavelength.

I leave you to disentangle the dialogue with a talking head of Orpheus or the girl in a Vermeer picture and to fathom the depths of the predicament which confronts the hero, Herman Onfr. The novel left me uninvolved and quite unconvinced by the sudden surges of language which the exercise touched off in the author. It seemed terribly lacking in human insight. But then, I am not one for mixed frequencies, jammed computers and electronic interchanges, scrambled with some cultural jokes.

Robin Lane Fox

## Geoffrey Moore investigates the demise of a rich and lonely broker

## Man overboard

**THE MAN WHO FELL FROM THE SKY**  
by William Morris. Viking. £10.95, 262 pages

THE TRUE story of the death of Alfred Loewenstein reads like a thriller. Belgian financier falls 4,000 feet from own aircraft without occupants noticing. French and Belgian police hush matter up; British do nothing, in spite of dead man being resident in Britain. Mrs Loewenstein beside herself, not with grief, but with absence of body. Reward offered; body found. Doctors appointed by wife (not police) seize body and maintain no foul play. Wife inherits vast fortune. Case closed.

But not for William Morris, our roving reporter. Fifty years on, with the skill of a Simenon, he uncovers layer after layer of buried fact. Starting from July 4, 1928, when the fated plane left Croydon for Brussels he moves backwards and forwards in time, questioning, voicing his suspicions.

Apart from Loewenstein, the six occupants of his Fokker F.VII-3m monoplane were part of his considerable personal staff: the pilot, Donald Drew; the mechanic, Robert Little; Fred Baxter, his valet; Arthur Hodgson, his secretary; and Eileen Clarke and Paula Bidalon, stenographers. When he was informed that Loewenstein had gone, he landed on a Normandy beach. Suspicious. Why not at St Inglevert, five minutes away? The matter was not pursued. Nor was the fact that the occupants told conflicting stories.

At the funeral there were

many wreaths, but almost no mourners. And yet the man, according to a sketch by "a friend" in *The Times*, was "capable of great generosity and loyalty." Who was this original? The wife was the daughter of a banker. By the age of 20—that is, in 1907—Alfred owned his own stock-broking firm. By the time of the First World War, when he fled to England with his beautiful but estranged wife and young son, he was a millionaire many times over.

He was made a Captain in the Quartermaster's Department of the Belgian Army in London until asked, quietly, to resign because of profiteering. Unbashed, he turned up a few days later as a Captain in the British Army. After the war, richer than ever, he indulged his only passion apart from finance: horses. At his estate near Melton Mowbray, he hunted with the Quorn, the Cottemore and the Belvoir, as well as maintaining a racing stable. For 10 gaudy years he lived like a mogul, but always — apart from his considerable entourage — alone.

A ruthless manipulator of the stock market, Loewenstein had many enemies, and Morris considers them all — as well as interviewing those who knew him, and examining minutely the structure of the aircraft from which he fell. The clue is in certain lies in the access door, light and easily moveable, except when manipulated against the tremendous force of the slipstream. This alone, is proof enough that Loewenstein could not have fallen "accident-

ally." He was pushed, and all the occupants of the aircraft had been bought.

This was why Donald Drew was so anxious to keep at a lonely spot rather than the airport. He wanted to replace the access door with another which he had hidden in a compartment behind the lavatory. A fisherman reported seeing a parachute falling from the Fokker on July 4. That was the door, pulled down by Loewenstein. So Morris conjectures.

After investigating the lives and motives of the business men who had cause to wish Loewenstein dead, Morris's suspicions light on Madeleine Misonne, wife of the banker. A last-minute discovery is a revelation of insurance policies which had been taken out against Loewenstein's life. Their combined sum was so large that the companies involved had to pool their resources.

Her husband was worth far more to Madeleine dead than alive—particularly since his fortune was like a house of cards, kept in existence only by the hand of the master. When that hand was withdrawn panic ensued, and the collapse of the stockmarket. But by that time Madeleine had her money.

All the occupants of the aircraft led strangely prosperous lives after the "accident"—particularly the pilot, Donald Drew, "an inveterate womaniser," who, although he was suffering from stomach cancer and drinking brandy in the cockpit, managed to see a good deal of the merry widow. It is a fascinating conclusion to a compulsive book.

## Something told me...

**THE UNKNOWN GUEST**  
by Brian Inglis. Chatto and Windus. £19.95, 224 pages

BEFORE FREUD defined the unconscious, the philosopher Frederic Myers, a founder of the Society for Psychical Research, proposed the subliminal "second mind." This differed from the unconscious, perceptible only in neurosis and psychosis, in that it might also produce such positive functions as intuition and inspiration. But what triggered the activities of this "second mind"? It had access to information unknown to the ego; it even, as in the forestalled suicide with which Mr Inglis begins his study, could use this information to modify the ego's intentions. This second mind is what Mr Inglis, borrowing from Maeterlinck, calls the Unknown Guest.

Even at modest levels, the working of the Unknown Guest is perceptible. When you speak, your words are chosen for you and put in order. You have been trying to remember some forgotten matter, and suddenly it pops up in your mind. Most of the examples Mr Inglis chooses, from the Koestler

Foundation's files and his own, come from the paranormal. He grades them under such headings as ESP, pre and retro cognition, "second sight", hallucination and so on. Some of his accounts appear trivial, but probably are not; many are familiar in pattern. Some seem to be "second sight" like the Italian 10-year-old who could work out in his head the cube root of 3,796,416 in under a minute.

Most importantly, the subliminal mind, intuition and inspiration. Unlike people who confess its effects, without seeking its cause, George Eliot, Thackeray, Kipling, even J. B. Priestley, have said that they had only to take up their pen to produce this variety of inexplicable effects. Sochrill believed in it. Mr Inglis's final conclusion is that the "second mind" is a subconscious mind, reached by all researchers, such matters: that it is worth going on with the investigation. My own feeling is that, although there is no more likelihood of the subliminal mind being pinned down than of the common or everyday mind, or the soul.

B. A. Young

## Days in the Sudan

**HOME FROM THE HILL**  
by Hilary Hook.  
The Sportsman's Press. £12.95, 206 pages

QUITE EARLY on, Hilary Hook decided what kind of book he wanted: Adventure, hunting, fishing, polo and when it was available, war. He can't say that life has disappointed him. From Sandhurst he went into a crack cavalry regiment in the Sudan. Army, commandant men of a similar taste to his own—Jats, Sikhs, Punjabis.

When the war came, his regiment remained for a long time uncommitted, which he found so frustrating that he joined the Australians as a private and found them congenial company in the New Guinea jungle. The problems of peace he solved with the Sudan Defence Force.

Hook gives graphic accounts of patrols in the desert, tormented by thirst, and of encounters with lions, elephants, crocodiles and guchilis perils. And, at last, when there was no more fighting to be done he found an agreeable and profitable way of life, organising Shikars in Kenya.

In between, hair-raising escapades in peace and war, came spells of leave in London where White's or less sedate resorts were ready to welcome the wanderer with refreshment and good company. Now, in retirement, he remembers it all and graphically describes it.

Perhaps his happiest days were those he spent in the Sudan; quite unlike service in India, his soldiers were primitive huge, jet-black pagans who laughed all day and drank all night—"crime (he writes) except for drunkenness and adultery is rare. That is a good thing as you can't punish them. Extra duties are looked on with pleasure and if you fine them it's their wives who suffer." Hook was allowed to shoot three elephants a year; it was a good

way to pay his Greek grocer. When the day's work was over he was delighted to look up at the black canopy of stars, listening to the noises of the African night and watching the moon sail up over the flickering embers of the camp fire. "In every hunter, there is a poet."

Of course, these wonderful days could not last for ever. The world was changing. Africa above all was changing. Colonial powers were moving out too hurriedly as Hook thought with too little thought for the people who were leaving behind.

Hook was so sure of himself in his opinion that most army and government officials were fluent liars, flouting patriotism as he refused for self-interest. This he found so frustrating that he joined the Australians as a private and found them congenial company in the New Guinea jungle. The problems of peace he solved with the Sudan Defence Force.

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When he started his safari in Kenya, there were 20,000 rhino in the country, now it is believed 400 are left. The rhinos who used to be armed with poisoned arrows, now have automatic weapons and do not hesitate to fight it out with the law.

Behind all this lies a sordid explanation. Rhino horns are believed to have aphrodisiac properties and sell at \$500 a kilo. The market in Asia flourishes.

When the day came when Hook had to give up his business as a white hunter, having found jobs for his staff and a goodbye to his friends, he turned his back on that good life forever. "A life," says Wilfred Thesiger, the Foreword to this book, "neither he nor I could lead today under the changed conditions of the modern world."

"Othello's occupation gone!" I wonder.

George Malcolm Thomson

## CRIME

**THE HERMIT OF EYTON FOREST**  
by Ellis Peters. Headline. £9.95, 224 pages

**DEATH IN THE GARDEN**  
by Jennie Melville. Macmillan. £8.95, 216 pages

AS USUAL in a Brother Cadfael story, the claustral Benedictine Abbey of Salter Peter and Saint Paul (which the blurb of this volume misleadingly calls "sheltered") witness some strange comings and goings. In *The Hermit of Eyton Forest*, the wide unrest of 12th-century England becomes entangled with some local, greedy mischief, but as usual Brother Cadfael guides

his old friend sheriff Hugh to the solution of the puzzle. As usual, too, the author invents some engaging marginal characters (young lord Richard Ludel, ten-year-old student of the abbey, is a charming "Norman lad"), and the natural setting is affectionately portrayed. The format of this volume—the first from this author's publisher—is a bit *Yuletide*, but the prose is clean and unadorned.

In *Death in the Garden* it is the setting, and Jennie Melville cleverly conveys the village atmosphere that surrounds the story. It is over-populated and there are some odd details in the narrative, but the three main figures are sympathetic, well delineated, and the central plot is neat.

William Weaver

## Swedish drill airborne

**MOMENTS OF TRUTH**  
by Jan Carlzon, president Scandinavian Airlines. Harper & Row. £12.95, 135 pages

AFTER GRADUATING from the University of Stockholm's School of Economics in 1967 Jan Carlzon joined Vingresor, Sweden's largest tour operator. He became its managing director in 1974 at the age of 32, and soon reversed that airline's economic decline. In 1978 he became managing director of Linjeflyg, Sweden's major domestic airline, and in 1981 took command as president and chief executive of Scandinavian Airlines System, turning heavy losses into healthy profits within a year.

There was no magic about his performance, although many looking in from the outside might have believed there was. Jan Carlzon's fundamental formula was communications—at

all levels of the business, from the board room to the "front-line" staff who met the passengers every day of the year and who were the personification of what the various businesses he commanded were all about. Carlzon is especially strong in his views on delegating to the latter greater freedom to take instant decisions without reference to higher authority.

He argues that people who are handling people are the best people to solve those people's problems, provided they are given freedom to do so without risk of reprimand, or worse, dismissal—something that many so-called British "service industries"—British Telecom and British Rail, take note—could usefully read, mark, learn and act upon with benefit to all, especially their customers.

Of course, it could be claimed

that comparable policies have worked up to point in British Airways, but there the airline was effectively bankrupt, shedding many thousands of workers, and it was essential for those who remained to pull themselves together and work the way the BA management wanted them to work. Moreover, although undeniably highly profitable, BA still has some way to go, for it is not all sweetness and light there yet, and even Carlzon has to admit that failures can occur.

Nevertheless, Jan Carlzon's book is well worth the outlay of money and time. At its published price in sterling the wisdom works out at 9p a page. Here is an investment that should appeal to any British executive anxious to see how someone else has done it, even if he does not intend to emulate the process.

Michael Donne



# American groups carry the day

A black and white caricature of a man, likely a comedian or actor, depicted in a dynamic, slightly twisted pose. He has a large, prominent nose, thick lips, and a wide, toothy grin. His hair is short and styled. He is wearing a light-colored, possibly white, shirt and dark trousers. The drawing is done in a sketchy, expressive style with bold lines. The signature 'N. K. PAKER' is visible in the bottom left corner.

## Jack Klaff

**Faith Geer and Albert Bennett in "The Grapes of Wrath"**

Viktor V. Avrilov has a faint, pale look of David Warner, though his long, mullish face with its heavy-lidded eyes hints that the actor is more than a little bit of a cynic. He plays the role of the cynical pugilist about him. The director plays Claudius whose deceptive geniality and sporadic remorse are more overtly emotional than we are used to seeing in the west—indeed some of the acting from the mixed professional-amateur group is more wholeheartedly expansive than anything we have seen. The young yezbda Badakova's Ophelia shares that gift common to Russian actresses of combining heart-felt emotion with a calculated vulnerability; her mad scene is especially strong, not too far removed from Scotland's own distraught Shakespearean lady. Last performance tonight.

★

Also in the Assembly Rooms

## Entertaining travelling companions

The *War Requiem* was performed on both sides of the Berlin Wall. Berlin is at the moment profusely celebrating the 750th anniversary of its foundation, but this was the only major commemorative event shared by East and West festivals. Moreover, the live television relay of the first of the performances, in East Ber-

Michael Hordern with elegance and sensitivity, as he did the first two.

From Argo comes a well-abridged version of Kipling's romance: Dick Francis's thriller: *The Denger*

**THE SCOTS** are acquitting themselves stylishly. During the first week of the Edinburgh Festival it was the Scottish Chamber and the Scottish National Orchestras alone who let us hear what real orchestral playing is all about. And the performances at Wednesday night's Prom, played by the BBC Scottish

## India put in perspective

The BBC Scottish programme was the second of the week's three from concerts which featured major ballet scores. The first, on Tuesday, was a tribute to the extraordinary homage to the composer of *The Sleeping Beauty*: a loving act of Stravinskyan "criticism" ("Chaikovsky was the most Russian of us all") which borrowed gestures, harmonies and indeed whole melodies from Chaikovskian sources (chiefly from the songs and the piano music), forging from them

calibre, he might have done better with the mock-English jazz programmes he put on on short-wave radio during the

suasive, and so complete, that there were themes whose authorship Stravinsky himself could not remember, and others,



### Rehearsing within earshot of baying guard dogs on the border

# Symbolic sounds

[illegible]

The eventful performances, shaped and inspired by Jeffrey Tate, were magnificent. The first of them, at the East Berlin

sheer continuity of the *War Requiem* and its wielding of disparate materials and multiple levels of discourse seemed more than ever miraculous. Above all, its message of peace and reconciliation — and the example of its own creative source in “well we sunk too deep for war,” will have been powerfully appreciated by the endlessly applauding audiences in the Berlin Philharmonie, and in each of this retreating world. Into vain citadels that are not walled,” the baritone sang at the end with unwonted irony. Within 24 hours the symbolic sun of such a peace had set, which led to the Wall Rudest. Hess in Spandau, would be dead.

# Scots at the Proms

ple, and the compositional stance far nearer that of pastiche: a brilliant tour de force re-creating the manners and resonances of 18th-century Naples from original blueprints, rather than a heartfelt homage. There is no yearning in *Pulcinella*: only high-flying excitement. The three soloists, Ewing, Langridge and Polgar, sang their small parts with relish—I specially loved Miss Ewing's "Se tu mami," which she gave with marvellous deli-

the second of the week's  
from concerts which fea-  
major ballet scores. The  
Fire was Stravinsky's  
for the somewhat thin, nasal,  
metallic timbre of this young  
Russian violinist; and I found  
his performance adept but

**Ladder** overture – always an irresistible curtain raiser – was one of the most buoyant and exciting I've heard in years; and their Mendelssohn Scottish symphony positively bubbled with energy, alive with colour.

**Dominic Gill**

---

**CHESS SOLUTION**

Chess No. 685 1 Q-QN8 (threat 2 R-QR7 and 3 R-QR1), B-N2; 2 RxB, or if P-B4; 2 RXP, or if K-R7; 2 R-QR7. Traps include 1 R-QR7? B-N2; 2 R-B2, B-R3!

Chalkovskian sources from the songs and the music), forging from them persona, neither quite vibrant, present whatever the note or its expressive context, quickly became tiresome.

At Thursday's Prom the

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 B-R3!

hip Stravinsky himself  
ot remember, and others,



## WEEKEND FT

SPORT

Racing/Michael Thompson-Noel

## The man who mastered time

At 77 Phil Bull, the founder of Timeform, is still a perceptive and provocative crusader

TO HELP celebrate its 40th anniversary, Timeform—one of the great institutions of the turf—has produced a brochure that contains ringing endorsements from all the top names in British racing.

Those lining up to pay homage to Timeform include the Queen Mother—"my warmest congratulations to Lord Fairhaven, Sir Ian Trethowan, Lord Forrester, the dowager Lady Beaverbrook, Jim Joel, Paul Mellon, Robert Sangster, Sir Michael Robert, Lester Piggott, Pat Eddery, Vincent O'Brien, and so forth."

The most original contribution is the one from champion trainer Henry Cecil, the rearing grower of Newmarket, whose genius on the gallops comes out in a phrase—a "penchant for dotty rhymes."

According to Henry:

Oh what a wonderful volume,  
A truly magnificent book  
You can see all the animals' ratings  
Is the time that it takes you to look.

The volume he is referring to is the celebrated Timeform Weekly Black Book, which at £13 a throw arms several thousand subscribers with potent ammunition with which to seek winners and harm the bookies—not terminal harm, but grievous.

Apart from detailed information (plus ratings) for every horse in training, the Black Book contains bi-race previews and features, the weekly Timeform interview with a leading trainer (which is rated an A-one-body by those who are genuinely in the know), results from Britain and abroad, and so on—in short, millions of facts, all of which are revised, amended, prepared, collated,

printed, trimmed, bound and dispatched to a fanatical readership of owners, trainers and punters by 3 pm every Wednesday.

There are other Timeform services, notably Timeform Race Cards, Ratings, Horses to Follow, a phone service and a 1,000-page Timeform Annual which together add up to a £2m-a-year business, based in Halifax, that is still overseen by Timeform's founder, Phil Bull.

Bull is a gaunt figure with a white beard and a pipe who is 77 now—"I'm old, tired, and full of aches and pains"—but who remains as sharp (and as sharp-tongued) as he was one of this century's most successful turf crusaders.

He is a professional Yorkshireman, and don't you forget it—brought up in Hemsforth, where his father was a miner, grammar school-educated and a maths graduate of Leeds.

Bull arrived in London in the 1930s, started as a school teacher, and divided his spare time between sociology lectures and going to the races. He made money from betting and from running a service called Temple Raceform.

Analysis, with recommendations based on his own stopwatch. It was from these origins that Timeform grew, so that today mixing shrewd analysis with polished commentary in the manner invented and perfected by Phil Bull, it can describe itself as the largest organisation in the world devoted exclusively to supplying comprehensive information and opinion for all horses racing on the turf.

His right-hand man and managing director is the dapper Reg Griffin, a valued administrator who still reports for Timeform on most of the major flat meetings in Britain, Ireland and France. Griffin has a civilised sense of humour, as well he might: he owns 30 per cent of Timeform (Bull owns the remainder).

"Integrity is all," explains Griffin. "Timeform is sometimes asked by owners to revise its verdict on particular horses, but they get very short shrift."

"We employ racecourse interpreters. We don't want to hear that a horse won by two



Phil Bull: "Who says that I've mellowed?"

lengths. We want to know what it means.

"For example, when Reference Point (this year's Epsom Derby champion) won the last autumn's William Hill Futurity at Doncaster, the judge put his winning distance at 5 lengths. But Phil was on the finishing line. Phil is always on the line. That's nonsense," he said. "It was 6½ lengths. So that was how Timeform interpreted the form."

Reference Point is currently on a lousy Timeform rating of 145. At 13 miles Timeform rates him every bit as good as Dancing Brave and Shergar, while Griffin regards him as an "absolute certainty" for the St Leger, which is expected to be his next race.

Naturally, 145 is super-elevated. In contradiction, Reg Griffin, a two-year-old

bay gelding by Krayan out of Tumvella by Tumble Wind in which I just happen to own a 1,000 share, is currently rated 66, which is not at all elevated. His dam was a "poor Irish maiden," notes Timeform smugly, though conceding grudgingly that "Elegant Stranger is squired by 7½; may improve further."

Quite so. At Yarmouth on Thursday, Elegant Stranger scored his second victory in four starts and won a prize of £2,721, starting at 17-2. He cost 5,000 guineas. The most expensive animal in the race, Moullish, owned by Sheikh Mohamed al Maktoum of Dubai, cost 400,000 guineas and finished nowhere, having unseated his rider after the stalls opened. Such is luck in life's brief lottery.

Bull has been a gambler of note. "When I was a school-

teacher," he says, "my salary was £173 per annum less deductions. I could make far more money backing horses than working. In the late '40s, '50s and early '60s—before betting tax—it was child's play to make 200,000 a year backing horses—and I did."

He was also a successful owner and breeder (his colours are cerise with a white circle). "I had nominations to all the best stallions in Europe, and not one cost me more than 400 guineas."

"But I can't compete with the Arabs. Nominations have rocketed from 400 gns to the best part of a quarter of a million for the top horses. These are people to whom money is of virtually no consequence. Their money, after all, comes spurring from the ground."

Apart from Timeform, Phil Bull is best known for his life-long campaign to modernise and improve racing for the benefit of ordinary punters—a crusade that has led him into conflict, more often than not, with the top of the Jockey Club, which rules British racing.

"The Jockey Club proceeds on the basis of tradition," says Bull haughtily.

I asked him why he couldn't choose to view the Jockey Club as a benevolent anachronism, a relic of which racing would be poorer.

He said: "Knock out splendid and you might get it right."

I said that I was surprised that age had not mellowed him. "Mellowed," he snapped. "Who says that I've mellowed?"

"No," I replied. "I'm surprised that you haven't mellowed."

"How could you know?" he asked.

"Because I remember the views that you were canvassing in the '60s and '70s."

"Do you, now?" he said. "So how old are you?"

"Forty-two," I replied.

"Then you are older than you look."

It was the perfect forking flourish. I had forgotten that Phil Bull plays chess.

Golf/Ben Wright

## A curse on the infernal cart

I am becoming depressed with the American game. It is far too expensive and time-consuming.

wonderful (and often far-from-wonderful) caddies. I would willingly take the rough with the smooth if I could regularly enjoy the company (even the often harsh and unsympathetic criticism) of these extraordinarily disparate characters.

On the score of expense, carts have made a major contribution to increasing the cost of playing the game to the mere hacker, while making rich men of their owners. I know of one very famous American professional who was fired from one of the biggest golf resorts in Florida because his employer, the owner, was so jealous of the fortunes he was making by owning the cart concession.

On the score of slow play, carts have made a negligible contribution to helping to speed up the game, despite the claims to the contrary put forward by those who favour them. But televised golf, and the absurdly small-scale progress of the professional, Nicklaus was and is the most guilty offender—in the most influential factor in promoting the absolutely funereal pace of play at all levels.

There has been a recent move by golf course architects towards duplicating so-called Scottish courses in the hope of minimising maintenance costs. But with very few exceptions the results have been laughable.

to say the least. The pitch and run of the hole has virtually been banished from modern American golf courses, and the proliferation of sand bunkers has added vastly to the expense of upkeep at many courses, some of them designed by Nicklaus. I hate to play most of Nicklaus's courses because they largely appear to have been designed for his own enjoyment. Nicklaus's insistence that golf should be played downhill so that all hazards are visible is laudable. But it also means that one must inevitably climb up to every tee, cart or no cart. At Nicklaus's designed Muirfield Village, the distance to be walked upwards between greens and tees is roughly a mile and one-fifth. At Glen Abbey near Toronto, the Nicklaus-designed permanent home of the Canadian Open, that distance is almost a mile-and-a-half.

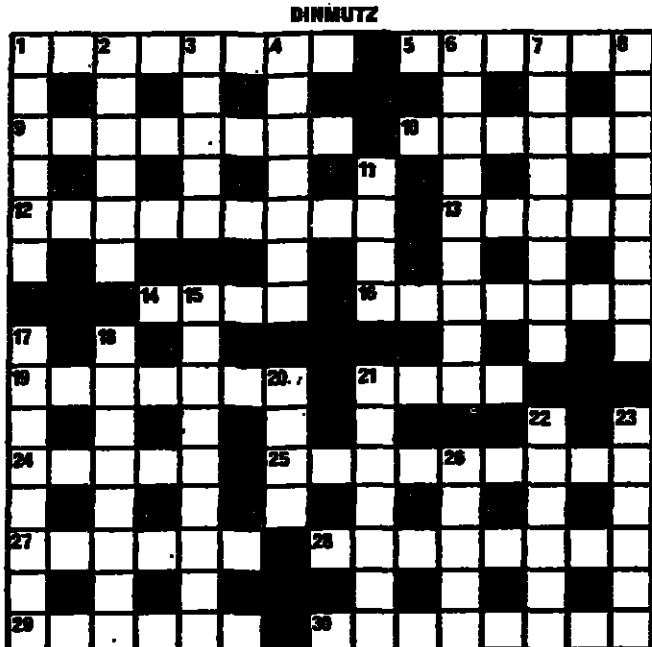
So Nicklaus can also be blamed for promoting the use of the dreaded cart. In addition, many of his courses have annual maintenance costs of well over \$1m. At some of them Nicklaus's attempts to imitate Scottish bumps and hollows have actually created areas that look far from natural.

Lack of space prevents me from cataloguing further my pet hates, now, and I shall return to them later; but I would be remiss not to mention that high on the list are rowdy, mostly beer-soaked spectators who are multiplying in ever-increasing numbers, plus the selfish fools who, because they have paid a four-figure sum for the privilege of playing in a major pro-am, refuse to pick up their own balls when a member of their team has already made a birdie three and they are facing a sizeable putt for a seven.

To end on a positive note, I am constantly encouraged by the number of American golfers who return from Great Britain and Ireland raving about British courses, caddies, pace of play and largely everything, so long as they are not too far from home.

And it gives me great pleasure to report that I have just accepted an invitation to play in a four-course tournament—the real thing—in Johnstown, Pennsylvania, in late September to benefit a local charity. All competitors are required to wear jacket and tie "in honour of Jack's roots and to brighten across the Atlantic." More beef to come.

## FT CROSSWORD PUZZLE No. 6,411



Prizes of £10 each for the first five correct solutions opened. Solutions, to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4A 3DF. Solution next Saturday.

- ACROSS**
- 1 Start to disrobe—very hot day outside for a bicycle (8)
  - 2 Dormant—please disturb (4)
  - 3 Flow vessel was seen at night on 237 (6)
  - 4 Naked girl with farmhouse (10)
  - 5 Playful desire on hard lines (8)
  - 6 Take a breather, energy is needed for this fencing movement (8)
  - 7 After midnight, boy is cheerful (4)
  - 8 Sheet-worker's spectacle (7)
  - 9 Single in outskirts of Bury? Nonsense! (7)
  - 10 Great many reported in building plot (4)
  - 11 Minor obsession about night (5)
  - 12 Faint-brush material for many coats (5-4)
  - 13 Missing like a common carrier (6)
  - 14 Malefactor lied over—and over (4-4)
  - 15 Country bird (8)
  - 16 Eccentric sort with split belly (8)
- DOWN**
- 1 Decline to accept rubbish (6)
  - 2 Propeller in bad setting on the ship (6)
  - 3 Lakeside plant withering—sun taking advantage (5)
  - 4 Shown around Venice by day (7)
  - 5 Parking-lamp is raised with great pleasure (4-5)
  - 6 Place for choosers—they make 'em barney (6)
  - 7 Bobby returns with new teeth in handbag (6)
  - 8 Gin duty put up (4)
  - 9 No burial at sea for this German count (10)
  - 10 Outline of Jack's area (8)

**Solution to Puzzle No. 6,410**

ACROSS: 1. DRESS, 2. SLEEP, 3. RIVER, 4. GIRL, 5. DESIRE, 6. TAKE, 7. AFTER, 8. SHEET, 9. SINGLE, 10. GREAT, 11. MINOR, 12. FAINT, 13. MISSING, 14. MALE, 15. COUNTRY, 16. ECCENTRIC.

DOWN: 1. DECLINE, 2. PROPELLER, 3. LAKESIDE, 4. SHOWN, 5. PARKING, 6. PLACE, 7. BOBBY, 8. GIN, 9. NO, 10. OUTLINE.

**Solution and winners of Puzzle No. 6,408**

ACROSS: 1. DRESS, 2. SLEEP, 3. RIVER, 4. GIRL, 5. DESIRE, 6. TAKE, 7. AFTER, 8. SHEET, 9. SINGLE, 10. GREAT, 11. MINOR, 12. FAINT, 13. MISSING, 14. MALE, 15. COUNTRY, 16. ECCENTRIC.

DOWN: 1. DECLINE, 2. PROPELLER, 3. LAKESIDE, 4. SHOWN, 5. PARKING, 6. PLACE, 7. BOBBY, 8. GIN, 9. NO, 10. OUTLINE.

## SATURDAY

† Indicate programme in black and white

**BBC1**  
8.30 am The Family News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

**BBC2**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

**Channel 4**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

## TELEVISION AND RADIO

**SCOTCH**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

**Ulster**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

**Yorkshire**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

## SUNDAY

† Indicate programme in black and white

**BBC1**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

**BBC2**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

**Channel 4**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

**Granada**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

**Ulster**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.

**Yorkshire**  
8.30 am News, 9.30 am News, 10.30 am News, 11.30 am News, 12.30 pm News, 1.30 pm News, 2.30 pm News, 3.30 pm News, 4.30 pm News, 5.30 pm News, 6.30 pm News, 7.30 pm News, 8.30 pm News, 9.30 pm News, 10.30 pm News, 11.30 pm News, 12.30 am News.



Wildlife photographer Cindy Burton uses an inflated car tube for a swan's-eye-view of cygnets in Survival Special: ITV, 5.30 pm